

The NATIONAL UNDERWRITER

Life Insurance Edition



*Welcome to
Philadelphia*

Members of the National Association of Life Underwriters:

The theme of the 1940 Convention, "American Life Insurance—the Epitome of Our Democracy," means that the National Association of Life Underwriters brings to Philadelphia some of the ideals which animated the meetings held by our forefathers in this city.

When here they declared our national independence, resolved that the stars in our flag should represent "a new constellation," adopted the Constitution of the United States, they laid the foundations of a nation where freedom-loving people might live. On these foundations, an imposing structure has been raised, and the prime objective of this Convention is to help make that structure secure.

It is particularly appropriate that those attending this Convention should come with the wholehearted purpose of paying tribute to Dr. S. S. Huebner, one of the forefathers of professional life underwriting as we understand it today. None of the founders of our Republic devoted greater effort, made greater sacrifices, added greater wisdom to the work in which they were engaged than Dr. Huebner has offered to the cause of providing financial security in the American way.

We may take pride in what life insurance has contributed to the welfare of our citizens and to our country as a whole; we may look forward with confidence to its increasing usefulness in the future; and, to the representatives of our great business, who are so largely responsible for its service today, it is my privilege to extend the warmest and heartiest welcome.

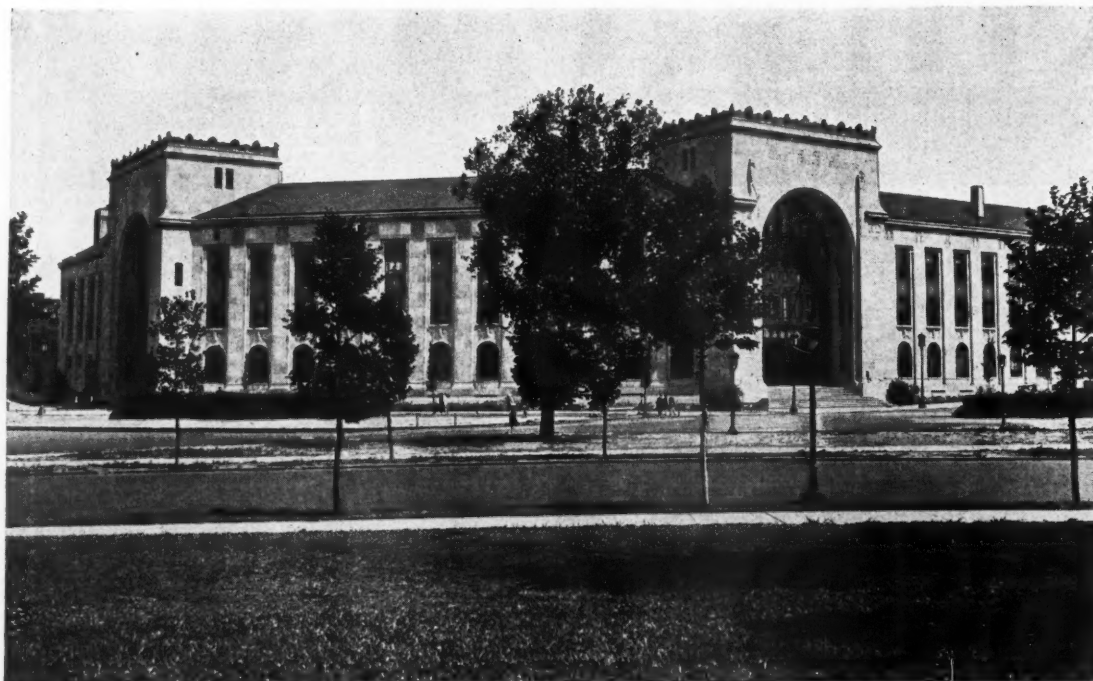
John A. Stevenson
PRESIDENT

THE PENN MUTUAL LIFE INSURANCE COMPANY
INDEPENDENCE SQUARE, PHILADELPHIA

2

2nd CONVENTION DAILY

THURSDAY, SEPTEMBER 26, 1940



WHEN YOU ARE IN PHILADELPHIA Come To See Us

Out on the Parkway, at the entrance to Fairmount Park, opposite the great Philadelphia Art Museum, is Fidelity's home. You are cordially invited to inspect this modern insurance work shop.

Here you will see the original life insurance policy carrying the first disability coverage ever issued, the first ever issued guaranteeing an "Income for Life" to the insured and the first ever issued with Accidental Death Benefits. All three of these developments in insurance protection were originated by the Fidelity.

Fidelity is a Philadelphia institution but its influence reaches into thirty-six states and the District of Columbia. It would be glad to welcome at the Head Office members of the National Association.

The **FIDELITY MUTUAL LIFE**
INSURANCE COMPANY
PHILADELPHIA
 WALTER LEMAR TALBOT, *President*



ON THE OCCASION OF ITS SEVENTY-FIFTH ANNIVERSARY

PROVIDENT MUTUAL

LIFE INSURANCE COMPANY OF PHILADELPHIA, PA.

EXTENDS

A HEARTY WELCOME TO

THE 1940 ANNUAL CONVENTION

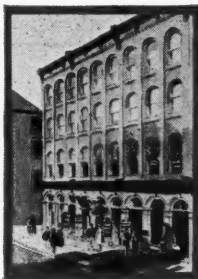
OF THE

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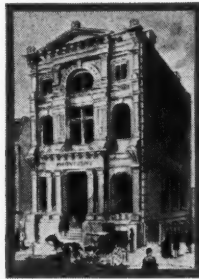
MEETING IN PHILADELPHIA

THE BIRTHPLACE OF INDEPENDENCE

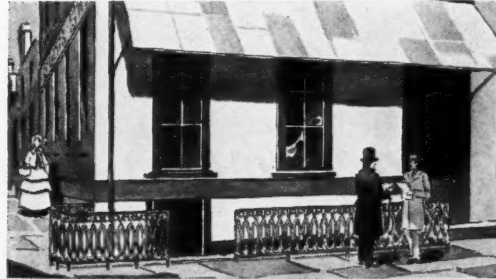
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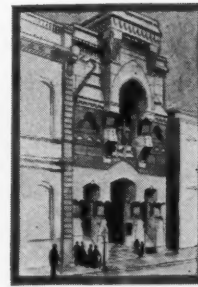
1865-1872



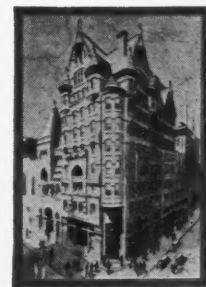
1873-1879



ORGANIZATION BUILDING



1879-1891



1892-1928

PAST HOMES OF THE PROVIDENT

In the N. A. L. U.

The following members of the Massachusetts Mutual field force have served on important committees of the National Association of Life Underwriters during the past year:

- MILLARD R. ORR**, C.L.U., *Philadelphia*
Chairman, Convention Executive Committee
- J. HAWLEY WILSON**, C.L.U., *Oklahoma City*
Agency Practices
- E. W. HUGHES**, *Chicago*
Business Standards
- CORYDON K. LITCHARD**, C.L.U., *Springfield, Massachusetts*
By-laws
- EDWARD J. SCHLITZER**, *Rochester*
Conservation
- GEORGE E. LACKEY**, C.L.U., *Detroit*
Chairman, Cooperation with Attorneys and Past Presidents
- RODERICK PIRNIE**, *Providence*
Cooperation with Trust Officers
- R. U. DARBY**, *Baltimore*
Cooperation with U. S. Chamber of Commerce.
- J. S. BRAUNIG**, *Boston*
Education
- HENRY W. WHITE, JR.**, *Knoxville*
State and Regional Associations
- ALBERTA ALLEN**, *St. Louis*
Women Underwriters
- HERBERT G. BEHAN**, *Hartford*
Agents Compensation
- CLARENCE E. PEJEAU**, C.L.U., *Cleveland*
Cooperation with National Association of Insurance Agents
- HAROLD B. RUHL**, C.L.U., *Detroit*
Dr. S. S. Huebner Testimonial
- KENNEY E. WILLIAMSON**, C.L.U., *Peoria*
Vice Chairman, General Agents and Managers
- JOHN W. YATES**, *Los Angeles, National Trustee*
Chairman, Life Insurance Information
- MERRILL H. BOWLES**, C.L.U., *Bangor*
National Council Meetings
- CHARLES L. SCOTT**, *Kansas City*
Special Radio Project

The Company is proud of this representation and also of the large number of its agents who are officers in state and local underwriters' associations or who are otherwise helping to maintain the high standard of life insurance business through their activities in these organizations.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Springfield, Massachusetts
Bertrand J. Perry, President

FOUNDED A.D. 1792

Insurance Company of North America
1600 Arch Street
Philadelphia

PLEASE REFER REPLY TO

DEPARTMENT

CAPITAL \$12,000,000

CABLE ADDRESS
"NORANA" PHILADELPHIA

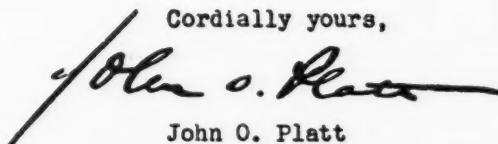
We invite you to visit us

Insurance Company of North America extends a most cordial welcome to the delegates to the National Association of Life Underwriters Convention. Our city has been signally honored by its selection for your meeting; we feel your choice is most appropriate, for Philadelphia's early history is closely identified with the development of insurance in its various branches in this country. The first fire insurance company in America, The Philadelphia Contributionship, was founded in Philadelphia in 1752 by Benjamin Franklin, and the second, the Mutual Assurance Company, was organized here in 1784.

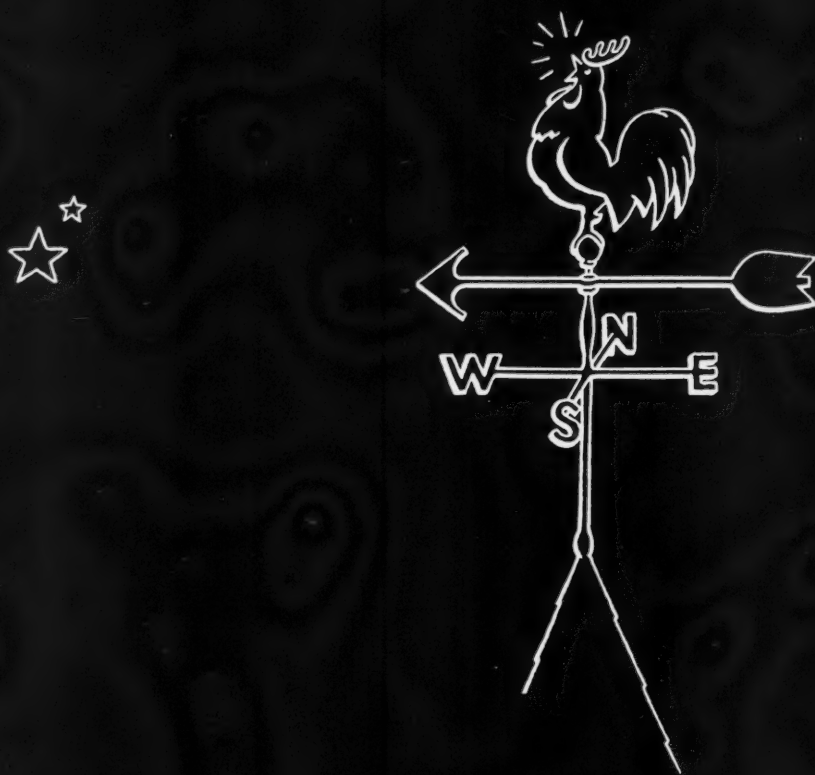
Insurance Company of North America, the oldest American fire and marine insurance company, was founded in Philadelphia in 1792, in the very room in Independence Hall where, sixteen years before, a group of patriots risked their fortunes and their lives by signing the Declaration of Independence. You will undoubtedly want to see Independence Hall and the world-famous Liberty Bell while you're here, for these shrines of liberty take on new significance during these troublous times.

We are sure you will also enjoy seeing the large and extremely interesting collection of old fire relics maintained by us in our offices at 1600 Arch Street. These relics have been gathered through the years, many dating back to Colonial times. The collection includes models of the quaint hand-pump engines used by volunteer firemen of early American days, the crude hose and leathern buckets with which they fought fire, and, as well, the resplendent hats, gaudy capes, huge engraved belts and horns with which they fought for the admiration of the populace. We have had printed a seven color map of Colonial Philadelphia showing the origin of the Volunteer Fire Departments; also a book on early American Fire Marks which you will find interesting and informative. Copies of the map and the book may be had on request at the time of your visit.

Cordially yours,



John O. Platt
President



Horace Greeley WAS right!

TEN DOLLARS PER MONTH PERMANENT TOTAL DISABILITY
INCOME PER THOUSAND...FOR MEN AND WOMEN

FAMILY INCOME RIDER WRITTEN ON TERM INSURANCE

ACCIDENT AND HEALTH INSURANCE...COMMERCIAL,
INTERMEDIATE, AND IN COMBINATION WITH LIFE

SUBSTANDARD POLICIES WRITTEN ON TERM PLANS ALSO

Occidental Life
LOS ANGELES

☆ "THERE'S A STAR IN THE WEST"

Strong Program at Second Day Rally

T.N.E.C. Investigation Evils Condemned By Prof. James T. Young

Presents Constructive Plan For Eliminating Unfair Practices In Studies

Condemning the unfairness of the Temporary National Economic Committee's investigation of life insurance and governmental "lynching" investigations designed to get something on somebody, James T. Young, University of Pennsylvania professor of public administration, outlined a fair plan of guiding principles for truthful investigations before the American College hour. Professor Young's paper was one of the high spots of the convention as he presented summary of the T.N.E.C. investigation evils which have been apparent to those who have been watching the situation closely.

"In the growing contacts between government and business, it has come to pass that each important field of business has been, or is being publicly investigated," Professor Young said. "We now have a fairly complete record of a large number of investigations, some made by committees of Congress, others by administrative officers and commissions, on their own initiative and still others by such officers or boards upon instruction from Congress. Almost without exception, these inquiries are directed toward one end—the drafting of further regulation, either in the form of new laws or of new administrative rules.

Publicity Practices Harmful

"In the disclosure of maladjustments in business, which such investigations always bring forth, a broad diversity of opinion, often a fundamental conflict of views, arises as to the seriousness of such maladjustments and as to the best means for their cure. Those who direct government inquiries are prone to magnify the evils while those actively engaged in the business point out that they are insignificant when placed alongside of the sum of private and public services rendered by the industry.

"The situation has become complicated by the practice of investigating agencies of issuing broadsides of publicity describing their disclosures. Intentionally or not, such publicity has created in numerous cases the public impression that the maladjustments discovered are typical of the industry as a whole and of all its practices and policies. The problem of securing authentic data on any business is in this way rendered many-fold more difficult by the generally hostile atmosphere so created.

"To those who desire to see our federal legislation based upon authentic, impartially ascertained data, the entire trend of recent government inquiries has become more and more unsatisfactory. It would seem, for example, that the one-man inquiry conducted over more than a year by a member of the Federal Communications Commission into the American Telephone & Telegraph Com-



Top—The Detroit contingent was well fortified with pulchritude: seated: Billie Hammond, accordionist; Ann Brooks, executive secretary Detroit association; and Florence Robinson, Canada Life, president Windsor Life Underwriters Association. Standing: R. H. Wertz, Reliance Life, W. A. Post, Connecticut General, president Detroit association; and W. A. Burr, Massachusetts Mutual.

Bottom—Pulling for Minneapolis for the 1941 convention were W. S. Leighton, New York Life, O. J. Arnold, president Northwestern National; and W. W. Scott, general agent Lincoln National.

Mr. Leighton is past president of the Minneapolis Life Underwriters Association and chairman of the committee selling Minneapolis as the next convention city. Mr. Scott is president of the Minneapolis association and of the Minnesota Life Underwriters Association.

pany's affairs, the Trade Commission's investigation of the agricultural machinery industry, the Security & Exchange Commission's inquiry into life insurance, and a long list of other similar investigations have given outstanding examples of a need for more careful, impartial and thorough procedure.

Fair-Minded Methods Needed

"If we assume that additional government regulation of business enterprise is still to be undertaken, it becomes more important that some means of impartial and fair-minded inquiry be established which will command public con-

fidence and safely serve as a basis for the making of laws.

"Turning now to that field in which we are particularly interested, the question arises—how should the essential facts concerning life insurance be gathered for purposes of future law-making? It is a notable fact which may be readily verified on every hand that the recent inquiry into life insurance, conducted in connection with the Temporary National Economic Committee would not be accepted as complete, adequate or fair by any large life insurance group.

"Without going into the reasons for

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Senator Tydings Brings Message to N. A. L. U.

American College and Million Dollar Round Table Hours Are Features

After one of the most brilliant social evenings in the history of the National Association of Life Underwriters centered about the President's ball, the conventioners were somewhat slower in arriving at the Music Hall Thursday morning for the general session than they were the opening day. The success of the evening was due in very large measure to the fact that there were some 25 company receptions and dinners preceding the party and a large proportion of the guests were thus in a party atmosphere from early in the evening. The company dinners were scheduled the same evening this year, so as to have no conflict with the testimonial banquet for Dr. S. S. Huebner Thursday evening, but many believe that this would be a good custom to follow in the future.

The convention hall filled well within the first half hour or so, because strong talent was on the program right at the start. The American College Hour was made an especially valuable period this year and was of general interest to everyone rather than appealing to the C. L. U. group alone. President John A. Stevenson of Penn Mutual Life presided.

Dechert Develops Allegory

Robert Dechert, counsel for Penn Mutual Life, who is also counsel for the American College, in his address, developed an allegory. He followed Mr. Fellow Man through life and at various stages in his existence examined whether the lawyer or the life insurance agent were more important to him. He credited the service of the life insurance man in the final hour of death as being superior to that of the lawyer and in retrospect asserted that the record was even—lawyer and agent had contributed in equal measure to the well-being of Mr. Fellow Man.

A forceful analysis of the Temporary National Economic Committee's study of life insurance was presented by James T. Young, University of Pennsylvania professor of public administration, in which he pointed out the unfairness of the procedure followed. He condemned the "out to get something on someone" attitude which prevails in all governmental investigations and to correct the evils which he pointed out, he suggested a constructive plan for conducting such economic studies in the future. Coming as it did from an authority outside of the life insurance business, the message was one of the outstanding talks of the convention.

President L. A. Lincoln of Metropolitan Life declared that the reason policyholders have accepted the fundamental principles of life insurance is that "com-

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Roosevelt's Talk to Teamsters Called Threat to Agents

Bendiner Deplores Promise of Expanded National Social Security System

Irvin Bendiner, New York Life, Philadelphia, and counsel for the Pennsylvania State Association of Life Underwriters, in giving one of the talks during the American College hour Thursday morning, asserted that the recent talk of President Roosevelt before the teamsters union is a challenge to America and to the life insurance agents. He said that the President in speaking of the necessity of enlarging the social security program holds out to the man in the street the promise of a national system which will relieve him of the responsibilities of citizenship which have built his character and the progress of the nation.

"To many people," Mr. Bendiner observed, "life insurance is a contract calling for the payment of annual deposits to an insurance company in exchange for a promise by the company to return a certain sum of money upon the death of the individual or after the lapse of a given period of time upon the survival of the individual."

"To many people life insurance is an immense accumulation of the contributed savings of the population in the nature of a trust fund, invested in the material resources of a nation, producing an investment return, and being disbursed upon the happening of described events."

"To many people life insurance is a mathematical device whereby the functioning of mathematical laws in relationship to the phenomena of life and death produces a given result over a period of time."

Economics of a People

"To many people life insurance is a part of the economics of a people whereby the financial risks inherent in family life can be reduced to a pattern, so arranged as to come within the budget of the average individual."

"But comparatively few people look upon life insurance as a social device whereby the individual human problems of a people can be solved or ameliorated largely because these individual problems, in a sense, are common to all of the people and permit of combined treatment."

"The common problems of a people are by their nature social problems."

"The world chaos which exists today should bring to us a clearer realization of the problems of society as a whole and should serve as a basis to permit the individual to ponder over his own relationship to that society."

"We share a universal sympathy for the innocent populations which are the victims of air raids. We share a desire to sacrifice to aid millions of innocents who in a short time may face famine, disease and privation. We share a common desire to defend ourselves in a military and economic sense; to preserve our independence of thought, speech and action; to preserve our democracy and all that it means to us."

"And in all of these thoughts we stand united facing real problems in a realistic manner with justifiable differences of opinion as to methods but with solidarity of purpose united upon the principles in which we as a people believe."

"What is the relationship of the individual to society in facing these problems? As a people, we have been educated and trained to think and to act as individuals. Each of us has the right



Top: Mr. and Mrs. John Dolph, Washington, D. C. Mr. Dolph, a special representative of the Metropolitan Life, is 81 years old and the dean of the past presidents of the National association. He headed the association in 1906.

Middle: C. F. Maetschke, manager Prudential, Indianapolis; C. J. Zimmerman, and W. S. Tiffany, manager Prudential, Scranton, Pa.

Bottom: Miss Josephine Dietz, Anna D. Hargesheimer, members of the hostess committee; and Miss Alma M. Paul, chairman decorations committee, all of Penn Mutual.

to think and act as he chooses, comparatively free from restraints; each of us has established his home, family, political and religious life in accordance with his own conscience and personal desires, comparatively free from restraints; each of us is permitted to establish his own standard of living, his own program of saving and thrift, and to provide in his own way against the hazards of life.

Highest Standard of Living

"To each of us is permitted the freedom of opportunity to regulate our own lives and yet out of this combined exercise of these individual judgments has come national growth and progress and a standard of living which is the highest of any nation in the world."

"In the institution of life insurance, we can point with pardonable pride to millions of policyholders, billions of dollars of assets and billions of dollars of insurance in force, but socially it represents even more. It represents a common understanding among 64 million people, the people who make up this country, that they are able individually to conduct well ordered lives, accept their responsibilities as men, and as human nature dictates, make provision for themselves in their own old age and preserve their individuality in the solution of problems which otherwise would become the further burdens of government."

"An individual who recognizes his

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Discusses Insurance As Citizen, Agent And Executive

Guardian Life's President Addresses Women's \$250,000 Round Table Dinner

James A. McLain, president of Guardian Life, made a magnificent address at the banquet of the Women's Quarter Million Dollar Round table Monday evening. He directed his remarks partially to the women, but his address contains much of value for everyone in the business. Mr. McLain said:

There are three situations in my life of which I am proud—first, that I am a citizen; then, that I have sold life insurance for a living; finally that I am connected officially with a life insurance company . . . I propose to discuss three questions which I hope may be of current interest—and from three points of view—that of the citizen, the agent and the officer.

I. What do you think of the woman underwriter?

From the viewpoint of an agent:

I have always believed that the unfit agent must be eliminated and that goes whether the agent is a he or a she. There are a lot of men carrying rate books because some manager of some company is more interested in getting his pathetically small production than in the harm that this totally unfit agent does in representing our business to that portion of the public with which he comes in contact. This is the man who muddies the waters for the qualified agent. And just because a woman needs some income, or is bored with bridge parties and the like, is no excuse to give her a contract.

Praises Career Women

Public acceptance of the professional underwriter has been retarded because of the short-sighted hiring policy long prevalent in our business. It has been equally difficult for the real woman underwriter to command the respect and consideration which is her due because too many totally unfit women have been given a chance to sell. I have known and worked with both kinds. The stenographer would delete my every remark about the woman who is in the business accidentally or because it costs nothing to try. My hat is off to the career woman in our business. Instead of being a nuisance around the office and a pest at agency meetings, she contributes a lot to the morale of our organization and sets an example of industry and loyalty to agency associates and company that men could well emulate.

As seen by the company officer:

When we consider the economic importance of women in the United States, we realize that the surface has only been scratched in our treatment of women as prospects and as underwriters. Each year over 80 per cent of all death claim payments are made to women. In our largest corporations, 45 per cent of the stockholders are women who own 22 per cent by volume of the stock of these corporations. The most recent estimate shows that 25 per cent of present life insurance sales are made to women—and the number of women gainfully employed, now about 22 per cent of all on the payrolls in this country, will increase as male workers, needed in the defense plans of the nation, are temporarily withdrawn from their normal occupations.

While much progress has been made in educating women on the subject of insurance, much remains to be done. A

(Continued on page 34)

What Makes a Millionaire Successful?

ROUND TABLE MEMBERS ANSWER QUESTIONS ON METHODS

A special "Information Please" program featured the "Million Dollar Round Table Hour" with 12 members answering pertinent questions on sales methods asked by Chairman Henry G. Mosler, Massachusetts Mutual Life, Los Angeles. A wealth of ideas covering various aspects of selling was brought out in the short, direct to the point answers by the country's leading producers. The questions asked the millionaires and their answers follow:

BEN S. MCGIVERAN, general agent, Northwestern Mutual Life, Eau Claire, Wis.:

If you were entering the business today, what would you do differently because you feel it would improve your methods and effect your future success?

I would put a lot more time on the study of corporation finance because I



BEN S. MCGIVERAN, Eau Claire, Wis.
Northwestern Mutual Life

feel that that subject is the hub of the wheel for real success in progressive underwriting today.

What is your answer to inflation or deflation?

I have none—for the reason that I don't consider arguments on inflation or deflation as objections. If the man believes there is going to be inflation or deflation, I agree fully and then explore the meaning and results with him.

Inflation means higher values of the assets of his estate but no reduction in tax rates because of the heavy governmental debts and hence it means that much more cash will be required to keep his estate liquid which means that more life insurance is required.

Deflation means a smaller valuation of the assets of his estate but a higher tax rate because the government debt structure will not be reduced and consequently, he must have more cash to keep the remainder of his estate liquid and that means more life insurance.

I you want to consider the questions from the standpoint of income to the families, you will arrive at the same answer. Why argue? Why not use his convictions to help sell him?

To what extent do you think it is advisable for a life underwriter to attempt to handle pension and bonus trust cases?

To the extent that he is willing to lay a completely new track (which may

prove a permanent side track), to make a concentrated study of a new subject, and to gamble time and money on a highly speculative type of business. If these prices are too high to pay, and they are for the average man who is a successful underwriter and a good business man, he should be well satisfied to do the advance work only and joint the case with someone else who is willing to gamble the money and the time required to bring it to a successful conclusion.

TOM B. REED, Great Southern Life, Oklahoma City:

Do you think the new social security benefits are a help or a hindrance to our business?

It is my opinion that the revised social security law now in effect is a help to our business because it will educate the public to become more "dependent conscious," and stimulate their thinking along the line of the importance of providing income to take care of themselves and their dependents. This will automatically create a receptive attitude for the underwriter who is clever enough to use the subject of social security as a means of showing his prospect how important income is, at the same time how inadequate the social security benefit is, due to the different situations it fails to cover. In short, it is a splendid "interview getter" which is one of our chief problems.

Do you make cold canvass calls? Do you think every agent should do it for experience?

The answer in both instances is yes. Our underwriters need to practice the art of meeting strangers gracefully. There is something about just "bumping" into people that gives a feeling of self-reliance which is not stimulated to the maximum degree where introductions, reference calls and other types of leads are used as a means of contact. Cold canvass unquestionably stimulates self-reliance and resourcefulness, the two very valuable qualities not experienced through other types of prospecting.

What do you think of the possibilities of salary savings plans?

I can qualify for this answer by being the owner of 15 successful salary saving plans, one of which has at this instant over \$2,000,000 worth of insurance in force. Here's why salary savings will be the fastest growing branch of life



TOM B. REED, Oklahoma City
Great Southern Life



JACK LAUER, Cincinnati
Former Round Table Chairman

insurance business in the next 10 years:

1. Salary savings is the logical method of purchasing, and therefore, good for the buyer. It is a painless way to pay a life insurance premium.

2. Employers have been forced to become more "employee conscious." They have already set up their systems to take care of payroll deductions and most are willing to cooperate, especially since this cooperation costs them practically nothing.

3. A salary savings group helps solve the financing problem for new agents. Given a 100 employee group, he has a flow of work, which will give him results.

4. For the experienced man, several salary savings groups will always provide a ready answer to that question of "where will I get that application this week?"

5. Salary savings is the cheapest and most efficient method of reaching and selling the lower income person, but because of its efficiency even the large producer can use it to good advantage.

JACK LAUER, Cincinnati:

Do you consider prospecting as one of the most important parts of the business? And if so, how do you secure prospective buyers?

I do consider prospecting the most important part of our business because if you have no prospects you have no definite work to do, which, in our business leads to laziness or the first step to failure. Just as important as I believe prospecting is to our success, so I consider proper prospecting more so. So often you learn of men in our business having what they term "plenty of prospects," but they seem unable to close business. In my opinion, this is due to their not having the right type for their own particular selling ability. Everyone is a prospect, but everyone is not a prospect for you or me. Your good prospect may be a bad one for me.

I believe we should know our own ability to approach, serve and sell certain types of people.

My prospects are obtained principally by close contact with business men and may I please not appear immodest when I say, successful people. I mean financially successful. I watch newspapers carefully for new business ventures and

business promotions and converse freely regarding other business men with my prospects and policyholders.

Do you plan to see a certain number of people a day? How many?

I do not have a definite plan as to the number of people I call on daily. I rarely call on anyone without having a definite plan of attack, whether by appointment prior or not. In fact, while driving, I find myself talking it over aloud. They say this is the first step toward insanity, but if so let me go "nuts," it helps me sell. I would say 95 per cent of my calls result in an interview, because most of my interviews are planned in my office. In fact, I often make written notes of what I intend to discuss.

What, in your opinion, is the most important personality characteristic necessary for success in this business?

The enjoyment of meeting people and sincere liking of most people, thereby evidencing willingness to help everyone solve their problems.

WALTER N. HILLER, Penn Mutual Life, Chicago:

Do you sell insurance benefits, estimated dividends, guaranteed costs, company or your personal services in creating business?

I would like to answer that question putting the various items in the order of their importance.

I sell insurance benefits because that is the first and most important factor in creating business—for if there are no benefits to be derived from buying life insurance, of what value are the other items, such as dividends and personal service?

After having sold the idea of insurance benefits, then, in my opinion, comes personal service, to which I devote over half of my time.

As to company—I keep and represent what I feel is the best company for me and that is the only essential factor as far as I am concerned.

For many years past I have been stressing guaranteed costs and telling my policyholders that dividends are an incidental part of the proposition. Having adopted that procedure, I am having no headaches or comebacks today.

So, here they are in the order of their importance: Insurance benefits, then personal service and company; after

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WALTER N. HILLER, Chicago
Penn Mutual Life

Objectives and Work Plan Stressed by Grant Taggart

In this troubled world it is well to remember "that the world being saved is not going to save us or the world being lost destroy us," Grant Taggart, California-Western States Life, Cowley, Wyo., advised in opening the "Work Habits" seminar of which he was chairman. "After all we must look to ourselves, and what is more important, if we are to do this we must recognize the importance of proper work habits. It is important that we take stock of ourselves and really determine to make good in this business. The best that is in us will never be brought out until we are forced to meet some adverse conditions."

"It is your job and my job to direct our thinking to such an extent that what might appear as an obstacle will fade away," Mr. Taggart declared. "We should not allow ourselves to be caught in any whirlpool of confused or depressed thinking but we should steer a straight course that will lead us on to success and our desired objective."

Must Recognize Responsibility

"Society has fashioned a thousand exemptions from work but not one immunity from the penalty that goes with indolence and irresponsibility. It is too much to hope that the rank and file of underwriters in this country can and will look forward to something out of this business besides just a living. I believe that greater things are in store for all underwriters who are willing to surrender themselves to the very great and sacred responsibility that is theirs. It is too much to hope that somehow, some way, the minds and wills of men in our business are going to be better trained and disciplined. We need to recognize the right, the importance of more men enjoying what this business has to offer."

"If there are those of you who are not making satisfactory progress, you should first understand that you must make certain changes in your methods, habits, and characteristics in order to obtain better results. Such a course is fundamental to your success."

Must Plan and Work Hard

"Every large and outstanding producer that it has been my privilege to become acquainted with, has learned that if he is really to become outstanding in this business he must plan well and work hard, since million dollar producers are made in no other way. Haphazard planning and desultory effort have no place in the larger producer's scheme."

"They believe in themselves, in the business they are in; in short, they believe in the great institution of life insurance itself. They know this is not an easy business and they also know it is not a cheap business. They did not go into it because they were broke and had nothing else to do. They chose this profession and they intend to stay in it. They enthusiastically represent the institution of life insurance as the most splendidly conducted, the most securely financed, and above all else, the greatest economic benefactor the human race has ever known."

Are You Willing to Pay Price?

"What they have accomplished is in store for many more of you if only you are willing to pay the price in a sincere, well organized and determined effort. Larger producers are well distributed throughout the land. Get to know them better and you will find them outstanding in every walk of life and underwriters of the highest order. Am I not right when I say that the difference between the average producer and the large producer lies mainly in the proper organization of knowledge and application of definite work habits? Clay Hamlin was a dismal failure on two occasions as a life underwriter and it was not until his

third entrance into our business that he became successful. He attributes his success to organizing his knowledge and sales ability and definitizing his work habits. You know to what great heights he has climbed during the past 15 to 20 years."

Formula Is Presented

For many years they have had a formula at West Point which was successfully used by a large percentage of army officers in the A.E.F., Mr. Taggart said. Before undertaking any important mission or assignment an officer must first apply this formula: What is my objective? What is my equipment? What is my plan?

Mr. Taggart then set forth the formula on the blackboard and the audience was asked to contribute suggestions. Under "objectives" were included:

Better living, own home or better home, get new car, member app. a week or production club, earn more money to provide better things of life for family and to enable children to attend better schools, own a good boat, join a golf club, improve health, build more prestige, take a vacation, and have necessary money to assist others in need.

Column Is Summed Up

Then Mr. Taggart summed up this column by adding: "Weekly production money."

Under "Equipment" were listed: Knowledge, energy, character, health, personality, policyholders, company, prospects, salesmanship and skill in closing, mental attitude, sustained effort, ambition, initiative, optimism, and determination.

These were summed up by Mr. Taggart as "Correct mental attitude."

Under "Plan" the following suggestions were made: Pre-approach letters, reference leads, definite work habits, systematic follow up of present policyholders, rate and age change, use of organized sales talks, both simple and elaborate programming, follow through service, occasional cold canvass, prospecting in higher income brackets, more need selling, not too much conversation, and more optimism in interview.

These were sub-captioned: "Definite work habits."

In the discussion it was brought out that practically every objective involves money and that an agent's equipment will function satisfactorily only if he ob-

Bosses Election



A. E. McKEOUGH, Chicago
Chairman Elections Committee

tains and then maintains the correct mental attitude toward his job and family life in general. Finally, the success of any plan is based upon definite work habits and sustained action, it was pointed out.

In closing the seminar, Mr. Taggart said he believed "you will agree that every underwriter must have an objective in order to succeed. In addition to this we know that with that objective he must have equipment to work with and that such equipment is of little value if it is not incorporated into a very definite plan."

Must Have Faith to Go Ahead

"It is extremely important that you have faith if you are to go forward in this business. You must have faith in yourself and in the business you are in. Faith that sustains you when you need it; faith that carries you through when discouraged. There will be breakers ahead, trials, discouragements, disappointments and despair, but do not allow yourself to anticipate these, and you should be ready to meet every emergency which might arise."

"When you have the feeling of discouragement, just remember that there is only one solution and that is to work. There will be times when you will feel that you are driven, pressed, suffering, but again I say just go to work."

J. J. Kellam Traces Steps in \$124,000 "Business" Sale

John J. Kellam, general agent at Norwalk, Conn., in a talk at the meeting of the Million Dollar Round Table, gave an insight into his selling technique by tracing the steps that he took in closing a business insurance case for \$124,000.

"I have been asked to discuss an insurance case, how the lead was received, the approach made, and the idea that sold the case."

"I have selected an actual business insurance case. I hope to show you that 'service for profit' is the basic principle of my operations."

"It is necessary for me to spend more than half of my time in getting probes or having fact-finding interviews in order to be able to judge to whom to give 'service for profit.'"

"When I go out to see a man for the first time, I do not go with the idea of selling him life insurance in that interview. My objective is usually to establish confidence to the point where he believes it probable that I will suggest ideas which will put him in a stronger position than before he met me. My test of this is whether I get all the facts so that I can find out if I can really make suggestions that will be helpful to him. Also, for my own information, I like to know approximately what to put on my potential insurance inventory so that I can keep my ratio of averages that determine my compensation for the efforts spent."

Vulnerable Points Discovered

"Often I am able to get complete confidence on the first interview, and in many cases, arrange for an examination at that time so that I will have the complete facts. In other cases where I do not establish this complete confidence, or for some other reason, I am not able to get the complete facts, I am able to get sufficient information to find at least one point where he is vulnerable. This was the situation in the case I am discussing today."

"In this client's case, as a result of my probing interview, I discovered the first of a series of vulnerable points. All of his stock in his company, a non-liquid asset, was in reality his wife's or at least he had placed this in her name some years previous to this time. I was able then to point out to him that he should have some provision to prevent the distribution of this under pressure in the event she should predecease him. When he admitted he was vulnerable here and also by inference, admitted that it was possible that he was vulnerable in other points, I had my foot in the door, but believe me it took a lot of perseverance and persistence before I got completely in. As a matter of fact it was over six months before I was able to get another interview with him."

Interview Is Arranged

"An interview was arranged for me to drive with him to his office, which is about 100 miles from his home and my home. On the drive we had an opportunity to become well-acquainted and during the day which I spent with him and his brother, who is associated with him in business, I managed to get all of the facts. Now, complete confidence was established. I was also able to make an appointment for the following Saturday with both of the brothers to be present at my office. Before this interview, I had arranged to have the medical examiner near at hand, and after I showed the brothers my suggestions in this next interview, I was given permission to call the doctor on the phone and tell him to come right down to my office to examine them."

"The proposal was based on what

(Continued on page 44)



Philadelphia hostesses in colonial costume:

(Standing left to right): Misses Vivien Savidge, Pacific Mutual; Lucille Boone, Penn Mutual; Betty Gibson, Mass. Mutual; Evelyn Seymour, Penn Mutual; Ruth Hirsche, Penn Mutual; Louise Charlton, Penn Mutual.

Sitting: Dee Hunsberger, Provident Mutual; Virginia Needham, Provident Mutual; Gertrude Lynch, Sun Life; Betty Gibb, Prudential; Betty Young, Prudential.

Congratulations Fieldmen!

Hindsight and Foresight

By **HOLGAR J. JOHNSON**
President, Institute of Life Insurance

AS we face troubled times and solemn decisions, it often gives us courage and strength to look back on troubled times in the past. Your old history book—the one you used in school—has been brought up to date. Have you read the new chapters that describe what happened in 1929—



"A terrific crash in the stock market in October ruined thousands," says Professor David S. Muzzey in his "American History." "Factories and mills were failing, prices of wheat, cotton, oil, copper were steadily falling, exports were declining and mortgages were being foreclosed all over the land."

In this crisis, the public turned to its institutions that had always stood for security. Life insurance was one of these.

Except for a short period beginning with the bank holiday, when the insurance commissioners of certain states ruled that a policyholder must show his need before he could surrender his policy for cash or borrow on it, the companies carried on as if there were no depression. At no time was there any interruption in death claim

payments or in the annuities. For the ten years that followed, annual payments ranging from two billions upward were made regularly to policyholders, widows, orphans and old people. Can you imagine what a stabilizing influence this was, when the value of most kinds of property seemed so uncertain?

What perhaps I am painting too easy a picture. I got in touch with him and asked him what he thought of the way the life insurance companies handled themselves during the depression.

"If you ask me," he said, "the depression proved that life insurance is the soundest business institution in the country."

Today, like yesterday, we in the insurance business stand braced to help 64 million policyholders withstand whatever economic shocks man or nature can deliver, in every way within our power.

This is what is expected of us, and this is what we expect of ourselves.

NOTE: In this regular Monday column, paid for at advertising rates, the Institute of Life Insurance has asked its president to discuss questions of interest to life insurance policyholders. Inquiries may be addressed to 60 East 42nd Street, New York City.

July 22, 1940

Your efforts made this statement possible



THE LINCOLN NATIONAL
LIFE INSURANCE COMPANY
FORT WAYNE INDIANA
ITS NAME INDICATES ITS CHARACTER

Tribute Is Paid to American College

Dechert in Allegory Pays Agents a Neat Compliment

Robert Dechert, counsel of Penn Mutual, member of the firm of Dechert, Smith & Clark, counsel of the American College, trustee of the University of Pennsylvania and member of the faculty of its law school, gave an address in the course of the C.L.U. conferment exercises Thursday morning. He had worked out a rather neat conceit, in which he traced the stages of the life of Mr. "Fellow Man" from birth to grave and undertook to say at each stage whether the insurance agent or lawyer was most vital to him. It ends in a draw, with the agent eclipsing the lawyer in importance at the grave.

"I want to emphasize certain similarities in the qualities and experience required of these two great groups of individuals whose job it is to serve their fellows, and because I want to take a look with you at various steps in the progress of a man's life where the underwriter and the lawyer may each have a part to play," Mr. Dechert said.

Taught in Law School

"For 16 years I have had the fun of teaching in a law school; for six of those years I had the arduous task of sharing responsibility for examinations for admission to the bar of Pennsylvania as a member of the state board of law examiners. I do not need to say more of my knowledge of the labor which goes into even the preliminary stages of preparation of a lawyer. As counsel of the American College of Life Underwriters, with the opportunities which those duties have given me for contact with Dr. Huebner and Dean McCahan, I can vouch for the equally arduous labors of the life underwriters who pursue the rugged path to the coveted C.L.U. designation. It is a source of pride to all of us interested in life insurance that 157 of you life underwriters have this year completed your C.L.U. examinations; that last spring 5,502 were registered with the college and that 3,999 had successfully completed at least one part of the examinations; that in the colleges of America (235 of them, to be exact) 18,249 college students were last year (1938-1939) enrolled in 584 insurance courses to which the American College of Life Underwriters and the C.L.U. movement had made some co-operative contribution.

"The bell rings for round one! Birth! Mr. 'Fellow Man' is born; becomes the 'muling and puking infant' of Shakespeare's lines. I'm afraid neither underwriter nor lawyer can compete with our doctor friends for service to mankind in this round. But stop! Birth means life, and life is meaningless without liberty."

Mr. Dechert then told of the case of the printer of Colonial days, John Peter Zenger, which constituted the first test in this country of the freedom of the press, and the fiery defense by Alexander Hamilton, Philadelphia lawyer, which resulted in a verdict in Zenger's favor.

"The traditional saying about a 'Philadelphia lawyer' has undergone some strange transformations in some parts of the country in the last 205 years, but from the high heritage left by fearless Andrew Hamilton, I claim for my lawyer friends round one of this battle between life underwriter and lawyer; the lawyer's stern fight for individual liberty makes life more worth living for this new-born 'Mr. Fellow Man' of ours.

"Now round two: Childhood. The underwriter starts child 'Fellow Man' on his way towards thrift; towards acceptance of responsibility for others. The underwriter's earlier service to parents may have laid the foundations for the

income which carries the child through his education; through the difficult task of growing up in a world which seems to have gone mad. On the other hand, the lawyer aids in providing guardianship of person and estate if the child's parents die; in enforcing responsibilities toward the child and in protecting the child's rights and physical body. This round seems fairly even, with both our protagonists fading from the picture when we consider the gifts to the child from the devoted and inspired members of our fellow profession, the teachers of America.

Manhood Is Round Three

"So we have round three: Manhood. Mr. 'Fellow Man' has grown up; married; has children; is in a business; has business associates. At every turn in these complicated days manhood brings responsibilities: to wife, to children, to parents growing older, to business partners, to employees. The lawyer can claim a fair share of credit for his service to 'Mr. Fellow Man' in these days of his manhood's responsibilities, in aiding him to fulfill these many obligations of his in the world of family and business. Just 10 years ago I was led back from the legal department of a great corporation into the hurly-burly of general practice by my desire to have a greater share in this part of a lawyer's life, and I can testify that the opportunities for service are ever present for our friend the lawyer.

"But wait! Here in the days of manhood the underwriter, too, comes into his own. Each one of those relationships of Mr. 'Fellow Man' of which I spoke is a challenging opportunity for the underwriter to step forward with his armory of weapons against evil: against illness and accident, death and aged dependence, financial emergency and the inability to carry out dearly-laid plans for wife and children. How many times the reserve values of unexpired life insurance policies or the face values of matured contracts have proved to be the only bulwark against these tragic juggernauts threatening the manhood days of our 'Fellow Man'! And for the existence of these values the underwriter may claim his due share of credit—for the origin of the policies and for those firm but friendly proddings which so often are the cause of their continuing in existence.

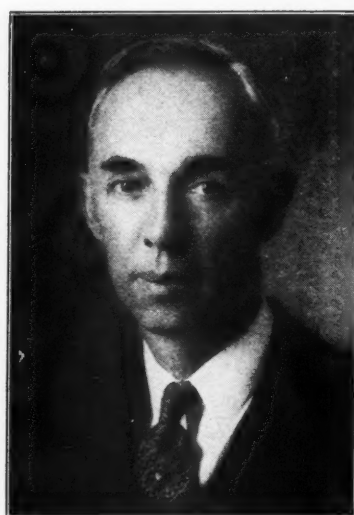
"Round three: Manhood. Shall it be awarded to lawyer or underwriter? Each has a valid claim, here each has striven mightily. Today I am the judge; I declare round three to be even. The lawyer still leads, by the margin of a single round, that battle for personal liberty typified by the Philadelphia lawyer of 1735.

Agent Wins Final Round

"And now, the fourth and last round of this battle: the final illness and death of Mr. 'Fellow Man.' Here the lawyer may serve by aiding in the plans for disposition of our dying friend's property, for the protection of those whom he loves. Without the machinery of the law, no one on dying may pass on to another a single piece of property or a cent of cash. Some valiant blows for 'Fellow Man' our legal friend may land in this round.

"But now comes the underwriter into his fullest share of service. Sixty million Americans protected by life insurance policies! Sixty million Americans aided by the underwriter to die with the comforting assurance that through their policies they are making a real contribu-

Company Chief Speaks at American College Hour



LEROY A. LINCOLN
President Metropolitan Life

tion to those whom they must for a time leave behind! Our lawyers can claim no such achievement. You life underwriters by your study and training, by your friendly persistency, by your informed planning, by such hard work as produces 157 new C.L.U.'s today, have accomplished this. Our hats must come off to the life underwriters of America! Round four goes to the underwriter!

"That leaves lawyer and underwriter even in our four round bout of service to our 'Fellow Man'—one round to each and two rounds even. At least that is the way I have judged it. And the happy part of my story is that you do not have to accept my judging. Each man may fight his own battle along these lines: do his own training, keep his own score, accomplish his own results. But if he wants those results to do him proud, old man Hard Work is probably his only satisfactory trainer. If you want to find where old man Hard Work may be located, to do the best job along these lines, I suspect that our devotedly honored Dr. S. S. Huebner and his associates in the American College can best put you on your way!"

Roosevelt Sends Message

In a letter received by Paul C. Sanborn, program chairman, President Roosevelt expressed regrets that he could not accept an invitation to attend a luncheon here.

"Providing security against old age, unemployment, and illness has been and still is one of our major concerns," the President said. "The National Association of Life Underwriters has played an important part in the efforts of business to meet this need."

Like World Series Fight

The contest for the 1941 convention may be to some extent a "preview" of the baseball world series. Cincinnati, which is sure to be in the world's series, and Detroit, which may its opponent, are both convention contenders.

Mrs. Carrie Hancock, Mutual Life, Providence, R. I., is a lineal descendant of John Hancock, who signed the Declaration of Independence. She has a son named John.

Lincoln Extols A.C.L.U.; Cites Need Of Broad Training

Holds Skilled Advice Especially Vital to Lower Income Policyholders

Knowledge of fundamentals, which he characterized as the bedrock on which self-confidence is built, was stressed by Leroy A. Lincoln, president Metropolitan Life, on the American College hour. Although the fundamentals of life insurance service have been proved sound and have been accepted as sound by 64,000,000 people, they have not been accepted automatically or perfunctorily, Mr. Lincoln pointed out. They have been accepted, he declared, because over 100,000 competent, earnest, enthusiastic life underwriters have preached those fundamentals from coast to coast, in high places and in low, in good times and in bad.

In pointing out the great progress in agent education, Mr. Lincoln said:

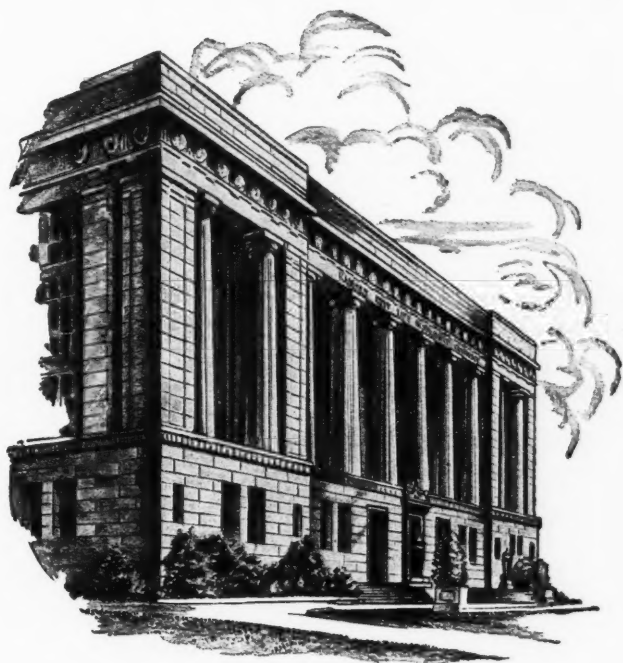
Like any other service, the life underwriter's service has improved with the years, as the concept of life insurance fundamentals has come to be better and better understood. The average life underwriter is a better servant of the public today than was his counterpart of twenty years ago, and he will continue to be better and better as the years unfold. In no small measure, this improvement can be attributed to the conscientious work of the American College of Life Underwriters and to the constantly increasing inspiration which the coveted designation of Chartered Life Underwriter has become to so many men in the ranks. Today life insurance protection is bought from an educated, understanding adviser whose aim is to analyze the needs of his particular prospect and to present to that prospect, with all the fervor of an evangelist, the type of life insurance best suited to meet his need.

Analogous to Doctor

To be able to perform this function efficiently and with satisfaction to his clients the agent must know more and more about the fundamentals. The lawyer or the doctor, to be successful, must know the fundamentals of law or medicine. So also, with the profession of life underwriting. The agent is selling an idea, a plan, and the worth of his sale depends on the knowledge and the integrity with which he is able to prepare and present the fundamentals which make up the basis for soliciting the patronage of his client.

The C. L. U. movement was born of this concept. It seems to me to be significant in two ways—first, for what it offers the individual in the way of training and, second, for what it reveals of the professional trend in life underwriting. And then there is a third feature, a feature possibly even more significant than those mentioned, the recognition by life underwriters themselves of their obligation to the public, an obligation that can only be met by continued and intensive training. Nor is this sense of obligation to the public by any means confined to those who are enrolled in, or who have completed, the C. L. U. course. Upwards of 8,000 men were enrolled this past year in preliminary courses sponsored by the National Association of Life Underwriters, in addition to other thousands who are taking courses and receiving instruction through

(Continued on page 46)



PERSISTENCY OF BUSINESS

When modern policy contracts are skillfully applied to human needs by well trained life underwriters the result is a high persistency of business.

Higher persistency, achieved in this way, has brought greater prosperity to our men; and the measure of their prosperity is the greater prosperity of the Company itself.

This is another of the factors maintained to assure the personal success of our men.

OUR AGENTS GET...

STABILITY in financial structure of the company.

TOOLS and policy forms that are modern.

TRAINING that is thorough.

CONSTANT HELP from home office and field service.

CONTINUITY of Management.

Kansas City
LIFE
INSURANCE COMPANY
KANSAS CITY
MISSOURI

Afternoon For Wives Worthwhile Innovation

A great congress of women convened Wednesday noon at the Warwick hotel. It was led by Sigrid Craig. It was planned by her and her vibrant committee and it held 500 wives of the conventioners and their guests entranced by its many faceted interests from one o'clock to five. There was a fine luncheon, and there were talks by leading Philadelphia women on a variety of themes including music, medicine, international news, fashion, and—insurance!

Mrs. Craig, an insurance wife herself (she is the wife of Walter A. Craig, a leading producer for State Mutual Life) had marshaled her speakers with an eye to presenting the latest information on pertinent subjects by women of her city best qualified to speak.

Mrs. Walter A. Knerr, president of the Philadelphia LaScala opera and a former state president of the music federation, told of this city's widespread sponsorship of the best in music, with an emphasis on support of American talent first; Miss Gertrude Golden, only woman district school superintendent, described how Philadelphia is rallying to the national defense program through its schools; Dr. Dorothy Case Blechschmidt told in detail the big steps Philadelphia research is making in the prevention and cure of cancer, particularly in women; Miss Besse Howard, news commentator of a radio network, reiterated that the pre-occupation of all men and women of America should be in leading the United States through the difficult months just ahead. And Miss Alice E. Roche, Provident Mutual, Philadelphia, gave a glowing tribute to the women "who are partners in life as well as in life insurance."

"Yours is an active function, not only a passive one as chief beneficiary of your husband's insurance," Miss Roche asserted. "Yours are the willing sacrifices when business is hard to get, the cheerful understanding, the initiative, the alertness to those situations creating potentialities. You should realize that you have it in your power to make decisions of vital importance to your husband's success. You alone often have the sole opportunity to give him all the encouragement he needs to go out and accomplish his objective."

"You and your family are the motive power behind the great institution of life insurance," Miss Roche concluded.

Proving that "a well dressed woman is a good will ambassador," the Fashion Group, through its spokeswoman, Mrs. Ella Waters, brought the program to a fascinating conclusion by putting on a half-hour showing of the very latest fashions in what the well dressed wife will wear to the orchestra concert, the woman's club tea, the debutante ball, the shopping tour and first night at the opera.

There was also a forum for wives Thursday morning. The subjects and speakers were: "My Pet Peeves as an Underwriter's Wife," Mrs. Louis F. Paret; "My General Problems as an Underwriter's Wife," Mrs. Norman W. Rowley; "The Underwriter's Psychology—Is it Peculiar—or Just Peculiar to Him?," Mrs. Alexander Tisdale; and "When a Life Underwriter Takes a Wife," Beatrice Jones, chairman committee of women underwriters of the National association.

Northwestern Nat'l Has 35

Northwestern National Life has a delegation of 35 in Philadelphia. Most of them occupy a block of rooms at the Sylvania. Headed by President O. J. Arnold, who has not missed an N.A.L.U. convention for many years, the contingent includes Carl A. Peterson, supervisor of agencies, and Colin MacKenzie, agency secretary.

Seminar Leader



JAMES ELTON BRAGG, New York
Guardian Life

Senator Tydings Brings Message to National Body

(Continued from page 5)

petent, earnest, enthusiastic life underwriters have preached those fundamentals from coast to coast, in high places and in low, in good times and in bad." He praised the American College of Life Underwriters and said of the enrollment in preparatory courses for the C. L. U. examinations that nothing comparable is likely to be found in public service or in other businesses. He made the point that the policyholder in poor circumstances is in even greater need of expert professional life insurance advice than the wealthy man.

Irvin Bendiner, New York Life, Philadelphia, who is counsel for the Pennsylvania State Association of Life Underwriters, brought the crowd sharply to attention in referring to the recent "political" address of President Roosevelt before the teamsters union. At that time the President spoke of the desirability of expanding the social security program. Mr. Bendiner, as did others in the business, read into the President's words a threat of a national system of insurance and retirement benefits that the speaker characterized as a "threat to America and to the life underwriters of America." He said that such a system would cause persons to refrain from attempting to superintend their own financial security and thus to lose the character that has spelled the progress of this country.

Tydings Gives Address

United States Senator Millard Tydings of Maryland, who in the past few months has been addressing life insurance groups in various cities, was the outside speaker Thursday morning and he had a most appreciative audience.

The final feature of the morning was the Million Dollar Round Table Hour which has now become a convention fixture. It started in an informal way several years ago when certain members of the round table would be brought before the main sessions to pass along some of the ideas that were brought out in the round table meeting. The feature is closely organized now. Henry G. Mosler, the retiring chairman of the round table, presided. Thirteen members of the round table each made a brief, pointed talk.

The presiding officer Thursday morning was Harry T. Wright, Equitable Society, Chicago, the national vice-president and only a day away from becoming national president. The musical selections preceding the opening of the convention were by the Keystone Quar-

tet of the Pennsylvania Railroad. The invocation was spoken by Rabbi W. H. Fineshriber, Reform Congregation Keneseth Israel.

On Thursday afternoon is scheduled the meeting of the national council at which new officers and trustees will be elected and the 1941 convention city chosen. Those who do not attend the national council meeting will leave early in the afternoon on the sightseeing trip which comprises the entertainment feature offered by the Philadelphia association. The trip will include Valley Forge and historic spots in Philadelphia. Those attending the council meeting will leave later for the trip.

The prospect now is that the choice of convention city will lie between Cincinnati and Detroit and that Minneapolis, which has been staging a demonstration, will withdraw in favor of Detroit.

Thursday evening comes the testimonial for Dr. Huebner, which is a capital feature of convention week.

Equitable Society Dinner Group Numbers 200

Probably the largest of the company dinners Wednesday evening was that of Equitable Society with 200 attending. The head office was represented by T. I. Parkinson, president; W. J. Graham, vice-president; A. G. Borden, second vice-president; Frank Jones, vice-president; Arthur Reddall, advertising director; Arthur P. Carroll, assistant secretary.

Col. C. B. Robbins, manager and general counsel American Life Convention, came from Chicago via Boston, where he attended the American Legion national convention, marching eight miles in the big parade the day before arriving in Philadelphia. The parade lasted from 9 a. m. to 9 p. m. and was viewed by 3,000,000 people. Colonel Robbins marched with the Iowa delegation.

Characteristics of Woman Agent

In pointing out the outstanding characteristics of the successful women agents, Corinne V. Loomis, John Hancock, Boston, said:

"1. She is a leader—and an executive—or she couldn't survive in this business. It is not the business for the lazy or for those who fear defeat.

"2. She has a balance and maintains it—between work, play, love, and worship.

"3. She has a genuine kindness and most of the time she is thoughtful.

"4. She has a vision of what can be done with life insurance and by life insurance. She sees a college education for Jack. She knows that life insurance will keep the home together—will keep the taxes paid. She sees little red wagons and little red shoes for Jane.

"5. She can survive discouragement and disappointments. She knows that line from Alice in Wonderland, 'it takes all the running you can do to keep in the same place.'

"6. She doesn't belong to that group of women that you see on many committees—their mouths turned down. Her mouth does not turn down.

"7. Her eyes have a real smile in them.

"8. She practices personal discipline."

Mass. Mutual Parley

The executive committee of the Massachusetts Mutual Life's general agents association held a luncheon meeting during the convention. They discussed the effect of compulsory military training on sales personnel and recruiting. Sales plans for the remainder of the year were outlined. Those on hand from the home office included Vice-president C. O. Fischer and S. M. Gamble, agency assistant.

★
Amicable
greetings

to

51st ANNUAL CONVENTION

of the

National Association
of Life Underwriters
Assembled in Philadelphia

★

Amicable
Life Insurance Co.

W A C O • T E X A S

Seminars Are Popular Feature of Convention

The four seminars Wednesday afternoon held the interest of the conventioners closely. At each session there was a capacity crowd, and questions were put freely to the chairmen. It was a rainy afternoon and that caused the conventioners to keep their attention on business.

Two seminars were held concurrently early in the afternoon and then two more concurrently later. One of the meeting rooms was commodious, but the other was limited in accommodations and dozens had to stand in the rear and in the hallways outside.

There was an especially large overflow at the seminar on business insurance conducted by W. H. Burns of Philadelphia as chairman and Ralph Sanborn, Connecticut Mutual, Boston, as vice-chairman. Mr. Burns is one of the largest producers in the country and he and Mr. Sanborn were plying with questions, many of an unmercifully technical nature. T. M. Riehle, Equitable Society, New York, was the presiding officer, his task being to present the chairman and vice-chairman to the audience.

Denis B. Maduro, attorney for the New York City Life Underwriters Association, was chairman of the session on "Privileged Pensions." He is always a popular speaker and he drew a capacity audience. C. Vivian Anderson, Provident Mutual, Cincinnati, was the presiding officer.

Programming Seminar

The programming seminar led by James Elton Bragg, manager, Guardian Life, New York, was devoted to intense exploration of a few basic questions rather than to eliciting quick answers to a large number of queries. Mr. Bragg emphasized the fallacy of trying to develop "formula" answers. He pointed out that to many questions there are no open and shut answers but that often there are several methods applicable, each with its own advantages and drawbacks, for example, income under options as compared with income from a life insurance trust.

In his opening remarks Mr. Bragg observed that Americans needed a wall of defense against foreign aggression, a wall of representative government to protect civil liberties, and a strong financial wall protecting families against want, "and yet someone must sell them to us and keep us sold, lest we forget." Just as public servants must not only be able to sell but to deliver the needed defenses against aggression from without and totalitarianism from within, so do the American people need—and are beginning to demand—the services of life agents who are not only salesmen but who also are competent to serve as architects of life insurance programs in accordance with the needs and desires of the individual policyholder and his beneficiaries, he declared.

Contingent Beneficiaries

Whether a minor child should ever be named contingent beneficiary of a policy meant for cleanup was the opening question. Mr. Bragg said the insured's wife's predeceasing him by 24 hours would prevent the child's guardian from using the funds for cleanup. Mr. Kluss told of a substantial case he sold because he was able to point out an erroneous contingent beneficiary provision.

Social security soon came up. Mr. Bragg suggested using social security income as the "comfort margin," with the basic necessities being guaranteed by the known security of life insurance.

The grand ballroom of the headquarters hotel was filled for the programming session. An unusual feature was that the question and answer period was

L. E. Simon Gives Lowell Thomas His Theme

Lowell Thomas, the famous radio commentator, who was the final speaker at the opening session Wednesday morning, made a brief talk, entirely in a spoofing vein, that completely surprised the crowd that had settled down for what they thought would be a lecture on world conditions. His talk consisted chiefly in allusions to the address of the previous speaker, Lawrence E. Simon, general agent for Massachusetts Mutual in New York, who had revealed a multiplicity of clever prospecting and selling devices. Mr. Thomas had a lot of sport at Mr. Simon's expense that caused much merriment in the audience. After speaking for a very few minutes, he concluded by remarking: "Mr. Simon says that life insurance salesmen should be good listeners. Gentlemen, you are magnificent."

Mr. Thomas appeared on the program through the courtesy of the Sun Oil company of Philadelphia.

Philadelphia Weather Man Proves Uncooperative

An unfortunate break in the weather caused some inconvenience in connection with the first session Wednesday. Just at the hour for convening there was a downpour and the conventioners had to scurry a block in the rain from the hotels to the Music Hall. Then just as the meeting adjourned there was another heavy rain, which caused congestion for some time at the exits. Of course, those that were familiar with the intricacies of the Philadelphia subway system were able to take a sheltered route back to the hotels, but most of the visitors seemed to fear to make that venture.

Life of Virginia Group

James E. Woodward, vice-president Life of Virginia, and John W. Murphy, supervisor of ordinary agencies, came from the head office in Richmond. President B. H. Walker was in Philadelphia, too, for a day. Life of Virginia in the ordinary department is ahead by 45 per cent in production for the first eight months.

Reliance Life Delegation

From the Reliance Life home office organization are Jay N. Jamison, executive vice-president; H. T. Burnett, agency vice-president; Jack Johns, superintendent of agents for the eastern field, and Glenn Lamar, southern superintendent.

between the address of Mr. Bragg and the other speaker, C. L. Kluss, Connecticut Mutual Life, Chicago, who talked on the approach. Mr. Kluss' description of his sales interview with his daughter was effective and humorous.

The session on work habits over which O. Sam Cummings, Kansas City Life, Dallas, presided, also drew a capacity crowd to the ballroom. On account of the death of his father, M. Lee Alberts, Equitable Society, Chicago, slated as co-chairman, was unable to give his scheduled address. On motion of Mr. Cummings, the gathering voted to send Mr. Alberts a telegram of sympathy.

Grant Taggart, million-dollar producer of the California-Western States Life, was chairman and gave the principal talk. He called on the audience to name various incentives which appeal to agents. As these were given, Robert Sanders, Business Men's Assurance, San Diego, wrote them on a blackboard and Mr. Taggart discussed them. Though he spoke for a full hour on account of Mr. Albert's absence from the program, Mr. Taggart's talk, eloquently and liberally sprinkled with humorous anecdotes, left his audience eager for more.

LIFE AGENTS...!

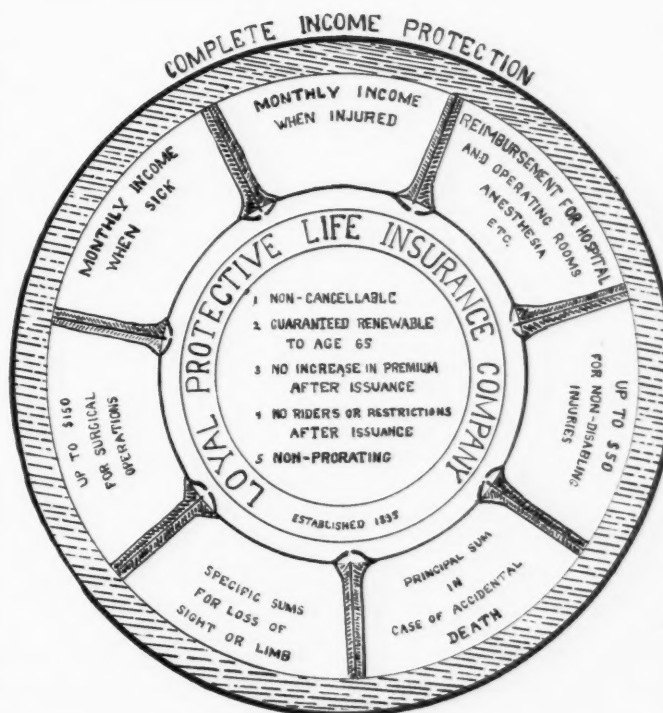
YOU CAN SUPPLEMENT YOUR
INCOME

BY FURNISHING YOUR CLIENTS WITH
"An Income When They Need It Most"



YOU CAN DO THIS—
in Conjunction
WITH YOUR PRESENT WORK

If you do not already have a
good line of accident and health
policies we ask that you consider
the following . . .



HOME OFFICE

BOSTON -- MASSACHUSETTS

WESTERN OFFICE
Portland, Ore.

CANADIAN OFFICE
Toronto, Ont.

J. M. POWELL, President

E. B. FULLER, V. President

R. B. Coolidge Sees Abundant Field In Agent's Job

Says Agency Head Must Have Firm Conviction of the Potentialities

Robert B. Coolidge, vice-president and superintendent of agents of Aetna Life, always a graceful and intelligent speaker, addressed the supervisors' luncheon Wednesday. He brought home in telling fashion his thesis that the life insurance agent has had and will continue to have one of the best jobs in the country. Mr. Coolidge suggested that eyes be turned upon the record of success that is being made by thousands of agents and that there be less self castigation on the part of the industry because of the showing of those who are not successful. He contended that the men who fail in life insurance are the men who would be inadequate in other endeavors and perhaps could not even hold jobs. In order successfully to operate an agency there must be the profound conviction that the job of life insurance selling does offer exceptional opportunities and Mr. Coolidge undertook in forceful style to instill that conviction in his listeners.

How Good a Job?

"How good a job do our agents have?" Mr. Coolidge commenced. "Last spring my company devoted an entire, three-day general agents' conference to that question alone. We thought it was the most important thing we had to discuss. And if we were correct, then I can think of nothing more important to bring before this group of supervisors today."

"We are not answering that question with as much assurance as we used to. We have read and heard so much criticism by investigators, life insurance 'counselors,' savings bank life insurance enthusiasts, and even life insurance men themselves that many of us seem to have lost our faith in the opportunity which we have to offer. I have the feeling that a good many supervisors, general agents, and managers have developed an inferiority complex, almost a defeatist attitude toward the job of the agent."

"So let's face the question squarely and attempt to answer it. For so long as there is any doubt in our minds on this point there will be mighty little effective recruiting in our agencies. We can't sell anything successfully unless we are sold on it ourselves. We all know of agencies which are growing, expanding, succeeding right now, in 1940. And we all know of others which are standing still or even slipping behind. One important reason for this difference is that in the successful agencies, the agency head and his supervisors believe in the job of the agent, believe that they have a genuine opportunity to offer; while in the unsuccessful agencies the agency heads and supervisors deep down in their hearts don't really believe that the agent's job is a good one. They wouldn't admit this, of course—not even to themselves, and they continue to give lip service to the career of life underwriting, but they lack the kind of conviction that brings high grade men into their agencies."

Attitude Reflects Conditions

"Of course, we must recognize that the attitude of supervisors, general agents, and managers, may be, and often is, a result of conditions in the agency. The man who is enthusiastic over the opportunities in his agency probably has a reason for it. He believes that the agent's job is a good one because it is in his agency. Conversely, the man who

Talks to Supervisors at Luncheon Session



ROBERT B. COOLIDGE
Superintendent of Agencies Aetna Life

has lost faith in life insurance selling may have done so because he really hasn't much to offer in his agency. We must, therefore, go one step further than inquiring, 'How good is the agent's job?' and ask ourselves, 'What can we do to make the job a better one in our agencies?'

"At the general agents' conference to which I referred a report was made of a study of our top 300 agents. One significant item was that these men earn an average of over \$5,000 per year. I am confident that a similar situation exists in other companies."

"Even our severest critics would admit that these men have good jobs. True, they are our top men. True also that they are not in the majority. But at least we can proceed on the premise that the top men, the club qualifiers in this business, regardless of company, have good jobs. And there are a lot of them. Thousands of them. Enough of a spread so that it is not accidental, or just a few isolated cases."

"But, our critics say, 'these are your top men; how about your bottom men?' We admit that the million dollar producer has a good job, or the half million, or quarter million, but how about the man, who, after three years, is still earning \$400 per year? What kind of a job does he have?"

Difference in Men Counts

"The answer is that he has the same kind of job as the million dollar producer. He has identically the same job, the same policies to sell, the same rates, the same commission, the same number of hours in the day. There is no difference in the job. It's the difference in men that counts."

"Thousands of men selling life insurance on straight commission have fine jobs—the best they've ever had. That proves that the agent's job is a good job for those who are qualified for it. And who, in this business, ever claimed that it was a good job for those who are not? And what business is there that supplies good jobs for those who are not qualified for them? I haven't heard of it yet. Does dentistry provide good jobs for men with clumsy hands? Does the law offer opportunity for the man without a logical mind?"

"Our business is not easy. It is the exceptional person who has those qualities which enable him to sell life insurance successfully. Those who lack those qualities can not expect to build successful careers in life insurance selling. But for those who possess them, we have good jobs to offer."

"Do you think the successful men in

your agency could earn more at some other job? Could the unsuccessful ones? Could they earn anything? Would they have a job? There are many men in our business today earning a few hundred dollars a year who otherwise would be earning nothing. So, why compare their low earnings with what they might make at something else. They wouldn't have a job at something else. This doesn't mean that our business is a poor business. It means that we have some poor men and some poorly qualified men in it."

Good Men Not Destroyed

"We might be criticized somewhat for that, in fact, we have been criticized for it. It has been said that poorly qualified men have been contracted because of home office pressure. It has also been said that we have taken too many men away from the security of a salary only to fail as life insurance agents. I wonder about that. I wonder how many of you have knowingly contracted a poorly qualified man because you felt under pressure to do so. I doubt that there are very many. I was in the field for many years, and I never felt enough pressure to cause me to do it. I put on a number of men because I felt sorry for them because they were out of a job, and couldn't get another, and I

thought they might succeed in life insurance. Some of them I know I should have turned down. But they were so insistent, and they needed a job, and I thought I might be able to help them. Most times I couldn't. I suspect that my experience is somewhat similar to your own. And there were mighty few men that I took from active employment who failed as life underwriters. Most of them succeeded and I'll wager that that is true in your agencies, too."

"Again referring to our general agents' conference, one general agent told of seven successful men in his agency. All were good steady producers, earning substantial incomes, and one was averaging \$40,000 per year. The interesting thing about this discussion, however, was where these men came from. Here is the record:

"1. A man who had just lost his position as a salesman."

"2. A blind man who had been earning his way through college selling magazine subscriptions."

"3. A bank teller earning \$25 per week."

"4. A salesman of typewriter supplies who didn't earn enough to support his family."

"5. A man who had lost his job in the depression of 1921, secured another, and lost that in the last depression."

"6. A furniture salesman in a depart-

Continental American's MODERN SALES ADVANTAGES

- 1** Preferred Class rates on a full line of ten contracts.
- 2** Originators of the Family Income Policy—also complete Family Protection rider for almost any policy.
- 3** Extra-Protection "Business Policy" providing to Age 65 an average of about one-third more than the usual amount of insurance per premium dollar.
- 4** Term Additions plan—without evidence of insurability—providing an average of \$100 of extra protection for every \$1 of dividend.
- 5** Twenty-Year Term policy with reduced rates for first 5 years—convertible during first 15 years.
- 6** Change-of-Plan privilege permits Endowment and Limited Pay policyholders to reduce premium to lower than Ordinary Life premium as of original age—regardless of health or insurability. Limited Pay policies contain guaranteed Endowment option.
- 7** Unique Educational Income Agreement automatically insures student beneficiary at no extra cost.
- 8** Monthly premiums on all plans.
- 9** Protection for every class of risk—preferred, standard, and substandard up to 2½ times standard mortality.
- 10** For retirement protection: Optional Retirement Annuity and Adjustable Income Endowment giving complete flexibility to meet unknown future conditions.

Continental American Life Insurance Company
WILMINGTON, DELAWARE A. A. RYDGREN, President

OPPORTUNITIES are now open in West Virginia, Virginia, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, and Ohio

ment store making less than \$50 per week.

"7. A young man just out of college.

"Think of it! Those seven men lead their agency today! They are secure, happy, independent, successful business men. Think of where they are today and where they were before entering the life insurance business. And then some of us are apologetic about the opportunity we have to offer!

"I suppose that most of us would readily concede that the job of the life insurance agent is a fine job for the man who is properly qualified after he has become established. There are two questions, however, that immediately present themselves. First, is it too hard to get started in the business? Second, will the job continue to be as good a one as it has been in the past?

"Is it too hard to get started? I will concede that it is difficult. Some lines are easier. But what I will not concede is that there is any line of endeavor whatever, which is equal to life underwriting in opportunity, that is easy.

"There are occupations in which it is easy to get started. I have mentioned some. Selling typewriter supplies, selling furniture in a department store, clerical work in a bank. I have one good agent friend who was a wholesale grocery salesman before entering our business. It is easy to start in those lines but what then? What of the future? My friend who formerly sold groceries now earns \$10,000 per year and in a town of 12,000 people. I'll bet a fair sum that there isn't a wholesale grocery salesman in the country that makes \$10,000 per year. And I'll guarantee that no wholesale grocery salesman has the security, the independence, the peace of mind, and the prestige that my friend enjoys.

Cites Medical Profession

"How about some of the careers which hold opportunities equal to life underwriting? How about the professions? Is the medical profession an easy one in which to become established? After four years in college and a bachelor's degree—when most men are starting to earn their livings, the prospective physician must go four more long years to medical college, and then spend two or three years as an interne in a hospital. By that time he is crowding 30 and he still isn't established. Then, he must invest in expensive equipment, and wait until he has enough experience to give people confidence in him, before he has a really profitable practice. Those who go through all of that probably become pretty securely and permanently established in the medical profession, but the mortality is mighty high along the way, and a great many drop by the wayside.

"How about law? Here, again, years of specialized training are required and then what? Many years waiting patiently for clients or else working for a large law firm at a pitifully small salary. Ask some member of a large law firm, some time, about the salaries paid to graduates of even the leading law schools of the country. Certainly it cannot be said that it is easy to start in the legal profession.

"The outlook for young engineers is not an easy one. I don't need to describe the years, in many cases the lifetimes, which are spent over the drafting board. Nor do I need to point out how many graduate engineers ultimately find themselves selling brushes or bonds.

"How about going into business for oneself? Is there anything easy about that? I don't think it is necessary for me to devote any time to that possibility, for we all know how hard it is. Here again the mortality is terrific.

Lifetime of Routine Work

"What is there, then, which is easy in which a man can get started without the difficulties experienced in these other lines of work? The only thing that I know of is a salaried job. If one can get the job in the first place, there is no difficulty in getting started. But how

about the future? In every business organization there are a few good jobs, and there are scores of men after those good jobs. If a man is really to succeed, he must successively win promotion after promotion. Those who are exceedingly and outstandingly able are ultimately chosen for fine positions. But the great majority who start out with high hopes in these easy-starting jobs are doomed to a lifetime of work of a routine nature at very modest compensation.

"In our business, on the contrary, it is hard to get started. For many it is impossible. But for the strong, able

man with some natural sales aptitude, it is not too hard for the kind of opportunity it presents. For the man who has executive ability, there is just as much opportunity for promotion in our business as in any industry with which I am familiar, in fact I think there is more opportunity for promotion. But the interesting and unique feature of our business is that, without ever winning a single promotion, a man may build up for himself just as satisfactory, just as pleasant, and just as lucrative a career as he can in other lines of work with all the promotions he has hope of winning.

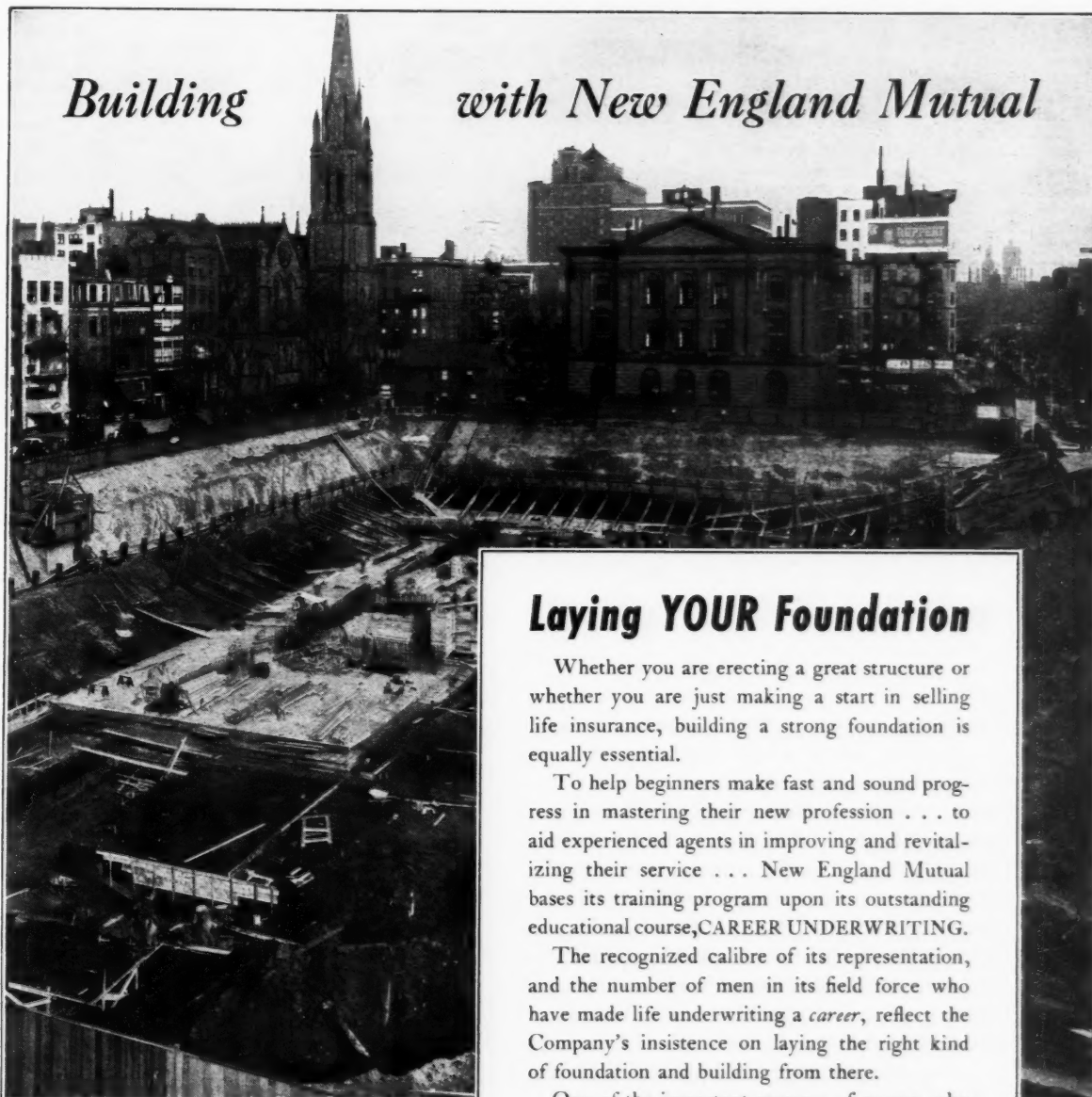
"I think we are all in agreement that

life insurance selling is and has been a good job. But how about the future? Will it continue to be as good as it has been in the past?

Cites "Fortune" Survey

"What is the future of the life insurance business and of the agency system? Is the government going to take over the life insurance companies or interfere with the operation of our business? Of course, I don't know the answers to these questions and neither does anyone else. But I think that we do know where the answers lie. I think that they lie in

(Continued on page 42)



Building

with New England Mutual

Laying YOUR Foundation

Whether you are erecting a great structure or whether you are just making a start in selling life insurance, building a strong foundation is equally essential.

To help beginners make fast and sound progress in mastering their new profession . . . to aid experienced agents in improving and revitalizing their service . . . New England Mutual bases its training program upon its outstanding educational course, CAREER UNDERWRITING.

The recognized calibre of its representation, and the number of men in its field force who have made life underwriting a career, reflect the Company's insistence on laying the right kind of foundation and building from there.

One of the important reasons, of course, why so many of its representatives have long and successful records with the Company, is found in the remarkable liberality* and coverage of New England Mutual's policy contract.

*Full reserve in the third year, for instance.

The above photograph, taken in November, 1939, shows the two-acre excavation and part of the tremendous foundation for New England Mutual's new Home Office building, to be completed in 1941.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

★ FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA ★

Sale of Pension Plans Analyzed by D. B. Maduro

From his extensive files and records, Denis B. Maduro, general counsel Life Underwriters Association of New York City, presented an analysis of pension plans which he has drawn for various clients. Using mystery story titles, Mr. Maduro illustrated the various problems and needs of corporations considering pension programs. Some of these cases were:



Denis B. Maduro

"The case of the Drifting Deadwood"—The problem of a corporation of keeping on its payroll employees who were of no further value to the corporation but who had been with the corporation so long that it did not desire to discharge them.

"The case of the Fearful Fifties"—The problem of a corporation whose key men organization had not saved very much from their prior large salaries, and the strain of worry and fear by the key men who were in the fifties interfered with the performance of their full services to the corporation.

"The case of the Copious Copycats"—The problem of a corporation whose competitors had adopted a pension plan, and the effect upon the employees in that competitive field.

"The case of the Captivating Capital"—The problem of a corporation in capitalizing the investment which it had made in its individual employees.

"The case of the Enduring Employee"—The problem of a corporation in its relationship with the family units of its employees both during the lifetime and after the death of its employees.

"The case of the Elegant Evasion"—The problem of a corporation in being able to give salary increases to its high-salaried employees who were in high income tax brackets.

Tax Angle Secondary

The discussion of the above cases also contained various expressions and leading questions which motivated the corporate clients to inquire further into advisability of a pension plan. Mr. Maduro stated that in his opinion it was important to first interest the client in a pension plan from the point of view of the business benefits to the corporation and its employees, and to do that before illustrating the tax advantages of the pension plan. The reason for this is that in his opinion the tax advantages were effective to close the case only after the corporation had determined that a pension plan met and fulfilled its business problems and business needs.

The cost of a pension plan varies with each individual case. It depends upon the amount of benefits which the corporation desired to give to its employees at the age of retirement and upon the cost of the investments which would be required to yield those benefits.

Cost Reduced by Tax Savings

"The actual number of dollars necessary to purchase the investments which would yield the required retirement benefits could not be changed or altered by anyone," he said. "However, it is perfectly proper to say that this cost would be reduced by the income tax savings of the plan to the corporation. In other words, from a proper sales point of view, the income tax savings of the plan to the corporation is directly related to the net cost of adopting the plan."

In presenting the tax advantages of a pension plan, Mr. Maduro stated that it would be a mistake to present lengthy tax briefs or memoranda. He suggested

a simple statement that under a reasonable pension plan the corporation may deduct from its income tax return the amount of its contributions to the pension plan in the year in which the contributions were made.

In many cases, corporations have made the participating employees pay part of the contributions to the pension plan. The reason for this is that most corporations believe the employees will better appreciate the pension plan if they contribute to part of the cost. The exact amount which the corporation would contribute and the exact amount which the employees would contribute is not a fixed formula but varies with each plan.

The amount of retirement benefits to be provided by the pension plan depends entirely upon the purposes of the plan and the type of investment obtained to produce the retirement benefits.

Eliminate Guesswork

Life insurance and annuity contracts are employed as the investment to produce the retirement benefits in a great many cases because they eliminate guesswork both as to the amount of the retirement benefits and the assurance of having them paid.

The biggest error in the present day sales approach of underwriters is that they assume a pension plan is to provide retirement benefits in lieu of salary. This is a costly error because most corporations do not operate on that theory. Most corporations are satisfied to have the retirement benefits of a pension plan constitute an amount which will "assist" an employee after the date his employment is terminated. The average corporation does not feel obligated to provide the entire source from which a retired employee is to obtain moneys after the date of termination of his employment. Many corporations have refused pension plans because the underwriter has misled them into believing that it is necessary to give to an employee retirement benefits equal to 35 per cent or 50 per cent of the employee's salary.

R.R. Roberts' Hobby Adult Education

The buying public is the greatest force in this country today, and it is to this group that the fundamentals of life insurance should be taught, says Roy Ray Roberts, general agent State Mutual Life, Los Angeles, who is vice-chairman of the national committee on education in charge of consumers' education of the National Association of Life Underwriters.

The four things bothering the companies today, the TNEC-SEC investigation, state or federal control, education of agents, and taxes, can be automatically solved if the consumer is taught what happens to the premium dollar, Mr. Roberts claims. The public is the force which controls the legislative moves that might bring about the destruction of the present system and put it under federal control, he added.

Not only will the education of the consumer solve these problems, he said, but it will require the companies to select better men to deal with an intelligent insurance buying public. Also, the companies will be forced to put out policies which will not contain deceitful and hidden clauses.

"In an educational program of this kind, we are fighting the consumers' problems as well as the companies' problems," Mr. Roberts went on to say. "Looking at it unselfishly, we should not

only benefit from an increase in sales, but the public would benefit in realizing the value of life insurance and would learn to differentiate between the good and the bad companies."

The way in which Mr. Roberts hopes to put across his consumers' education movement can best be told by what he has accomplished in his own state of California.

About 20 years ago education of the insuring public became a hobby with Mr. Roberts. He talked at length about its possibilities, and 10 years ago was appointed to the insurance committee of the Los Angeles Chamber of Commerce. Soon he became the committee chairman. By 1935 he held the same office in the Los Angeles Association of Life Underwriters. A year later he was instrumental in the installation of a required course, "Money Management," which included a section on life insurance, being added to the curriculum of the School of Commerce at the University of Southern California. He had done this through his business association with the late Dr. Frank Teuton, who was vice-president and academic head of the school.

A year ago, under his management, the state education committee raised \$7,500 to establish consumers' education in the adult division of the state educa-

tional system. Some 7,600 state teachers have been instructed in the work and it is estimated that 350,000 adults are taking the course this year. Many California junior colleges have added the course to their curriculum and shortly it is planned that a similar text be added to all secondary schools in the state. Dr. George C. Mann, head of the adult educational program in California and recently appointed in charge of education for national defense, is the source through which Mr. Roberts is working.

Philadelphia Host in '26

The last time Philadelphia was host to the National association was in 1926, and the convention then was held not in Philadelphia but in Atlantic City, with the Philadelphia people, however, in full charge of arrangements.

Philadelphia had been awarded the convention at the 1925 meeting in Kansas City, but was unable to make proper hotel arrangements on account of the sesquicentennial exposition that year, and transferred the actual meeting place to Atlantic City.

John O. Platt, president of the Insurance Company of North America, dropped in for part of the session Wednesday morning.

N. A. L. U.
and
GUARANTEE MUTUAL LIFE

BUILDERS
of MEN

For 51 years the National Association of Life Underwriters has played a most important part of building prestige for the institution of Life Insurance. So it is then that the Guarantee Mutual Life's slogan "Builders of Men" is applicable to that great life insurance organization.

A. B. OLSON, Agency Vice-President

GUARANTEE MUTUAL LIFE COMPANY

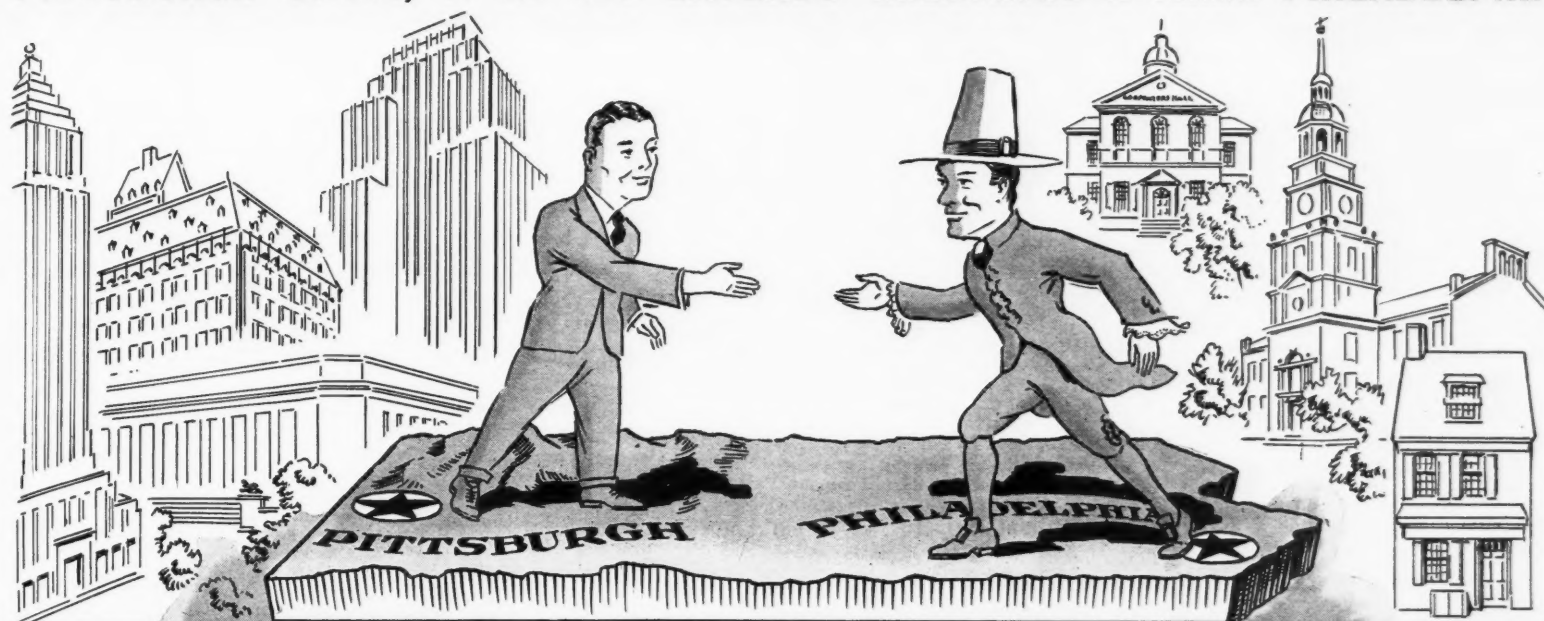
OMAHA, NEBRASKA

ORGANIZED 1901

Licensed in Twenty-two States

"GUARANTEE MUTUAL MEN MUST SUCCEED"

PITTSBURGH Gateway of the West EXTENDS GREETINGS to Historic PHILADELPHIA



51ST Annual Convention NATIONAL ASSOCIATION LIFE UNDERWRITERS

H. H. CHASE, C.L.U.

General Agent

ÆTNA LIFE INSURANCE COMPANY
902 CHAMBER OF COMMERCE BLDG.

H. H. LINN

Manager

PRUDENTIAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: NEWARK, N. J.
KOPPERS BUILDING

DUDLEY DOWELL

Supervisor for Allegheny Department

NEW YORK LIFE INSURANCE COMPANY
1002 GRANT BLDG.

ROBERT N. WADDELL AND ASSOCIATES

General Agent

THE CONNECTICUT MUTUAL LIFE INSURANCE COMPANY
1814 KOPPERS BUILDING

THE FUREY AGENCY

BERKSHIRE LIFE INSURANCE COMPANY

W. Rankin Furey, C.L.U., *General Agent*

FIRST NATIONAL BANK BLDG.
(Oldest Agency Under Same Management Since 1871)

STEACY E. WEBSTER AND ASSOCIATES

General Agent

THE PROVIDENT MUTUAL LIFE INSURANCE COMPANY
1814 KOPPERS BUILDING

A. F. HAAS, C.L.U.

Manager

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK
OLIVER BUILDING

N. H. WEIDNER AND ASSOCIATES

Manager—Western Pennsylvania Department
RELiance LIFE INSURANCE COMPANY OF PITTSBURGH
FARMERS BANK BUILDING

THE
"PENN MUTUAL in PITTSBURGH"

ERIC G. JOHNSON

General Agent

13th FLOOR

CLARK BLDG.

CHALMERS F. ZAHNISER, C.L.U.

General Agent

STANDARD LIFE INSURANCE COMPANY OF AMERICA
704 STANDARD LIFE BUILDING

THE EDWARD A. WOODS COMPANY

WM. M. DUFF, *President and Manager*

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES
FRICK BUILDING

Zimmerman Cracks Down on Manager Domination Talk

Scouts Idea That Individual Producer Gets Hind Part in N. A. L. U.

President C. J. Zimmerman, in his annual message, touched with the utmost candor on a situation that has existed below the surface in the National Association and which perhaps is occasionally treated with some seriousness—the charge that the organization is controlled by general agents and managers and that the individual producer is not a sufficiently influential factor.

That is the problem. But it is the problem not only of the companies, nor even of the companies and the general agents combined, but rather it is the problem of the entire institution working together.

"At times," he said, "it has been asserted that the N.A.L.U. is not truly an agents' association, but one controlled by the general agents and managers, who are in turn subservient to the home offices. Because I have heard this whispered for years, let us bring the charge out into the light for examination. For the sake of clarifying our thinking, let us for the moment assume that the association is controlled by the general agents and managers.

"There would be a danger to the field men in this only if the interests of the home office, the general agent or manager, and the field forces were conflicting interests.

No Conflict of Interest

"There is no conflict of interest between the home office, the agency heads and the field forces. The interests of all three groups are and must be measured by one common denominator—the best interests of the policyholder.

"What helps any unit of the agency system, helps every unit.

"The home office as well as the field is interested in bringing the best product possible at the lowest cost possible to the greatest number possible. In order to accomplish this, we need qualified life underwriters, qualified agency heads and qualified home office officials.

"Does my interest as a general agent conflict with that of my associates in the agency? Decidedly not. On the contrary, my interest parallels theirs, and my success rests largely on their success.

"Does the interest of the home office conflict with my interest as a general agent? Decidedly not. The success—yes, the livelihood, of home office officials depends greatly on the success of the agency heads and their associates.

"I have yet to hear anyone cite any specific fundamental in which these interests, particularly between the agency head and his associates are in conflict.

No Vampire Sapping Blood

"One familiar with our business, and listening to some of the charges made, might very well ask, 'What sort of vampire is this agency head who saps the lifeblood of the field man and of the N.A.L.U.?'"

"The answer is this. He started in the business as a personal producer.

"He knows the problems, the heart-breaks, and the triumphs of the personal producer because he has experienced them.

"As a general agent he lives, he eats, he sleeps with field men. He rejoices in their success. He shares in their sorrow and disappointment. His own success is dependent on theirs.

"He fights the underwriting department when he feels the breaks go against his associate. He asks for an



National Secretary Ray Hodges, home office general agent Ohio National Life, addressing the national council meeting. At left, President C. J. Zimmerman.

exception in this case or that. He tries to help his associates earn more money, both from an unselfish and selfish standpoint.

Complaints of Net Cost

"He crabs to the home office about the need for lower net cost when one of his associates loses a competitive case. Or he tells the home office its sales literature is not up to the standard of a competitor. Invariably you find him fighting for and at the side of his associates.

"He is not subservient to the home office. But perhaps he is more tolerant of home office problems, because he has a greater opportunity to get an understanding of home office problems, and is therefore naturally more sympathetic with them.

"All of us grow more tolerant as we become better informed.

"He is an agency head because he has been a successful personal producer who had an inclination and desire for organization work, and who, in the opinion of those who appointed him, had demonstrated certain qualities of leadership.

Cites Army Analogy

"A strong army must have not only enlisted personnel, it must also have commissioned officers. Is there a conflict in interests of these groups? Does not the officer see to it that his men are as well equipped, well trained, and as well nourished as possible. Does not he recognize that good morale is an important factor? Does not he shield his men from unnecessary hardship and danger? His self-preservation depends on the preservation of his men. So does the self-preservation of the home office depend on the preservation of the general agent and the agent. May I remind those who suggest that the N.A.L.U. must be purged of agency heads, of what happened in Russia when the army was purged of its leaders?

"There is a democratic method of bringing about a change in the leadership of the N.A.L.U., if such is desired.

"The officers and trustees of the N.A.L.U. are elected under democratic processes by the members of local associations. The membership of each local association elects its officers and directors, its national committeeman. The membership of local associations is overwhelmingly made up of field men.

Leaders Are Tested Locally

"Men do not reach a position of leadership in National association affairs unless they have first reached a position of leadership in local association affairs. They have the endorsement and support of their fellow members in the local association because they have been locally tried and found not wanting.

"Why should agency heads want to control the N.A.L.U.? What can they gain thereby? Believe me when I say that I did not seek this office or any other at any time.

"As a field man, as a supervisor, as a general agent I have taken an interest

GREETINGS

to the

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS



FIRE ASSOCIATION OF PHILADELPHIA welcomes you to the City of Philadelphia and extends best wishes that your convention may be successful in every respect.

While here you are cordially invited to visit our home office. We are located only one block from famous Independence Square.

FIRE ASSOCIATION OF PHILADELPHIA

ESTABLISHED 1817

HEAD OFFICE
PHILADELPHIA • PENNSYLVANIA

Capital Stock Fire, Marine and Automobile Insurance

GREETINGS N.A.L.U.

from the
Keystone State General Agents & Managers

The Pennsylvania General Agents and Managers shown below take this means of extending felicitation to all those assembled in Philadelphia for the 51st annual convention of the National Association of Life Underwriters.

ROBERT L. ALTICK, C. L. U.

General Agent

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

609 Commonwealth Building, Allentown, Pa.

1002 Deposit & Savings Bank Bldg., Wilkes-Barre, Pa.

616 Connell Bldg., Scranton, Pa.

GUY A. SMITH

Manager

METROPOLITAN LIFE INSURANCE COMPANY,
NEW YORK

230 Miners Bank Building

Wilkes-Barre 2-6716

Wilkes-Barre, Pa.

WILLIAM B. WAGNER

General Agent

NEW ENGLAND MUTUAL LIFE INSURANCE CO.
BOSTON

Scranton-Lackawanna Trust Bldg.

Scranton, Pa.

P. B. RICE, GENERAL AGENT

EQUITABLE LIFE INSURANCE COMPANY
OF IOWA

13th Floor Payne-Shoemaker Building
Harrisburg, Pa.

EARLE H. SCHAEFFER, C. L. U.

Manager

THE FIDELITY MUTUAL LIFE INSURANCE CO.

1102-3-4 Payne-Shoemaker Building
Harrisburg, Pa.

SAM BRECKENRIDGE

Agency Manager

BANKERS LIFE COMPANY
DES MOINES, IOWA

Suite 50—Union Trust Building
Harrisburg, Pa.

CHARLES L. BITZER

General Agent

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

401-407 Telegraph Building
Harrisburg, Pa.

HERBERT L. SMITH

General Agent

THE NORTHWESTERN MUTUAL LIFE INSURANCE
COMPANY

240 North Third Street, Harrisburg, Pa.



ALLENTOWN
SCRANTON

HARRISBURG
WILKES-BARRE



Greetings to the Philadelphia Convention

In these unsettled, disturbing times we offer tribute to the Life Underwriters of America. Their energy and efforts have built life insurance security for our democratic people, greater than all the life insurance in force in all the rest of the world



CLIFFORD L. McMILLEN
GENERAL AGENT



K. A. LUTHER
General Agent

L. W. SECHTMAN, Associate General Agent
Aetna Life Insurance Company

Lincoln Building 60 East 42nd Street
New York
MUrray Hill 2-0200



DOWNTOWN AGENCY

THE PRUDENTIAL
INSURANCE COMPANY
OF AMERICA

GERALD A. EUBANK, Manager
40th Floor — 40 Wall Street
New York



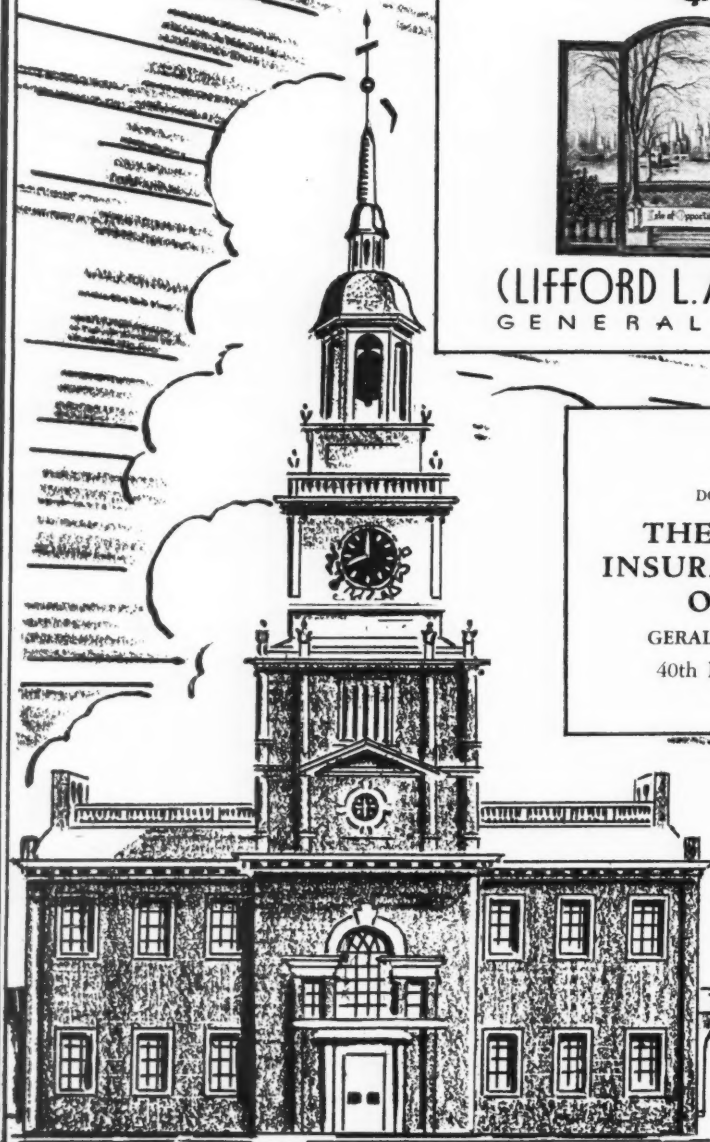
THE J. ELLIOTT HALL
AGENCY

The Penn Mutual Life Insurance Co.
30 Church Street
New York City



THE
JULIUS M. EISENDRATH
AGENCY

The Guardian Life Insurance Co.
912-14 Empire State Bldg.
New York
CHickering 4-4400



New York General Agents and Managers

from



Aetna Life Insurance Company

R. H. KEFFER

General Agent

151 William Street
New York
REctor 2-7900



**THE
C. PRESTON DAWSON
AGENCY**

New England Mutual
Empire State Bldg.
New York

"Ideas Sell Life Insurance"



THE BRAGG AGENCY

JAMES ELTON BRAGG, C.L.U., *Manager*

The Guardian Life Insurance Company
of America

50 Union Square



THE FRASER AGENCY

Connecticut Mutual Life Insurance Co.

Hartford, Conn.

JOHN M. FRASER, *General Agent*

149 Broadway
New York
BArcley 7-9300



MANUEL CAMPS, JR.

General Agent

FRANK McCAFFREY, *Brokerage Supervisor*

JOHN T. HAVILAND, *Agency Supervisor*

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Suite 601, 110 E. 42nd St., New York
MUrray Hill 3-8260-1-2



**THE BEARDSLEE
AGENCY**

Columbian National Life Insurance Co.

LESTER E. BEARDSLEE, JR., *General Agent*

45 John Street
New York
BEekman 3-4828



RIEHLE AGENCY

Equitable Life
Equitable Suite

11th Floor, Pennsylvania Building
225 West 34th Street, New York, N. Y.
LAckawanna 4-4300



JULIAN S. MYRICK

Manager

Mutual Life Insurance Company
of New York

57 William St.—"The Ives & Myrick
Agency"
HAover 2-2300



**THE CHARLES B. KNIGHT
AGENCY, INC.**

General Manager

The Union Central Life Insurance
Company

225 Broadway New York, N. Y.
WALTER E. BARTON, *Pres.*
PAUL S. RANCK, *Vice-Pres.-Treas.*



Mutual Benefit Life Insurance Co.

ARTHUR V. YOUNGMAN

General Agent

135 Broadway, New York City
REctor 2-8666



in and have been active in association affairs, because I believe, as do all of you, that the association represented me, protected me, helped me; because I believe in the objectives of the association; because I realize that most of the reforms and progress in the agency system stem from the association and the field. And furthermore, I believe it is my duty to actively work in and through the association for the betterment of the business.

"Leadership in association affairs not only requires fitness for such leadership, but it requires time and money. The sacrifice of the personal producer in taking such leadership is in my opinion a greater sacrifice than that required of the agency head.

Interest Is Main Factor

"The question before this association is not whether our leaders should be agency heads or personal producers—it is that they should be leaders who have the best interests of the institution of life insurance at heart. Our membership is large enough to furnish many men of this type. The local and state associations offer the training ground for leadership. The membership not only has the right, but exercises this right, to elect its leaders by the democratic processes.

"Let us have no more discussion of class distinctions where none exist. Let us have no more phantom fighting of conflicting interests where none exist. Let us rather choose our leaders and then work with them.

"If I were to make one criticism of the weaknesses of the N.A.L.U., it would be that its progressive program has apparently been ahead of the trend. The local associations, composed 85 percent of field men, must catch up.

"This year I have asked local associations to back up the N.A.L.U. in regard to the agency practices code, in regard to a revision of compensation, in regard to contributory pensions plans—



Chairman Aaron C. F. Finkbinder of the information committee and James Tyson, Philadelphia general agent Guardian Life of New York.

and in all too few cases has any formal action been taken.

"Those of you who believe that the N.A.L.U. should be strengthened—and I am one who does—can do your part by beginning at the source of all strength, your local associations."

John Hancock Breakfast

John Hancock Mutual Life representatives gathered at a breakfast session Thursday about 40 strong. The home office delegation consisted of Paul F. Clark, vice-president, former N. A. L. U. president; J. Harry Wood, manager of general agencies; Arthur Daltzell, head of the department of field service, and R. H. Cross, regional manager for the southeast.

Press Headquarters Are Efficiently Conducted

The press headquarters at Philadelphia were the most efficient in National association history. Every facility needed by newspapermen was provided. There was a battery of stenographers available. Interviews were arranged with the utmost expedition and those presiding over the room arranged for the taking of pictures, snapping out releases with dispatch and serving in many small ways that were appreciated. In view of the demands upon newspaper space by the war and political news, the publicity received in the Philadelphia papers was generous. Wilfrid Jones, editor of publications of the N. A. L. U., with his assistant, Don Barnes, were in

general charge, and they performed most competently and diligently. A group representing the Keystone Life Advertisers Association was on the job doing specialized work, such as preparing digests of talks given during the week and sending them out in the form of releases to the papers in the home cities of the authors. Particularly active in this work were Nelson White, Provident Mutual, and Carroll Frey, Penn Mutual.

Sons Follow Mothers

Two leading women producers who have sons just entering the life insurance business are Mrs. Lillian L. Joseph, Home Life, New York, whose son, Franklin M. Joseph, 20 years old, a graduate of the University of Virginia, is starting with Home Life, and Mrs. Curtis S. Fray, Equitable Society, Kansas City, whose son, Jack R. Fray, 22 years old, a student at the University of Missouri, has a contract with Equitable Society. In Mrs. Joseph's family there are 11 members in the life insurance business.

Consultant Service Breakfast

"Consultant service," organized to answer women's questions on difficult problems, had a breakfast session at 7:59 Wednesday morning. Each consultant had a table and was hostess to a group interested in her specialty. Alice Roche, Provident Mutual, presided at the "direct mail advertising" table; "estate planning" was under Anna L. Wiswell, Penn Mutual, Philadelphia; "tax approach" was under that grand authority on tax matters, Hermine Kuhn, Equitable Society, New York; the benefits of a C.L.U. degree and how to get one were explained by Mabel George, Sun Life, Philadelphia, and "salary savings" was the province of Nancy T. Newland, salary savings counsellor Penn Mutual, in Philadelphia.



GREETINGS N.A.L.U.

from Kansas City, Missouri

J. FRANK TROTTER

Manager

THE MUTUAL LIFE OF NEW YORK

An Aggressive Agency With Experienced Staff for Western Missouri and Eastern Kansas
FAIRFAX BLDG., 101 W. 11th ST.

SAM C. PEARSON

GENERAL AGENT

THE NORTHWESTERN MUTUAL LIFE INS. CO.

TWELFTH FLOOR, R. A. LONG BLDG.

HERBERT A. HEDGES

General Agent

EQUITABLE LIFE INSURANCE CO. OF IOWA

(Since 1867)

SUITE 640-50 BOARD OF TRADE BUILDING

ROBERT J. COSTIGAN

MISSOURI BRANCH MANAGER

BUSINESS MEN'S ASSURANCE COMPANY

230 B. M. A. BUILDING

CHARLES L. SCOTT

GENERAL AGENT

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SUITE 608 MIDLAND BUILDING

J. R. FARNEY

DIRECTOR OF AGENCIES, WESTERN DIVISION

THE OHIO NATIONAL LIFE INS. CO.

MISSOURI—KANSAS—OKLAHOMA

1111 BRYANT BUILDING

KANSAS CITY AGENCY

J. D. McInnes, Manager

KANSAS CITY LIFE INS. CO.

UNIVERSITY CLUB BLDG., 914 BALTIMORE AVE.

Essential Factors In Business Cover Sale Analyzed

Fundamentals which are essential in analyzing a business insurance sales solicitation were outlined by William H. Burns, Philadelphia, before the business insurance seminar. Sound fundamentals, he said, enable the agent to think clearly and to classify properly different types of business cases. Among the important points Mr. Burns brought out were:

Fundamentals are essential in analyzing a case as well as preparing a sales picture for business insurance. Sound fundamentals will enable you to think clearly and to classify properly the different types of business insurance cases.

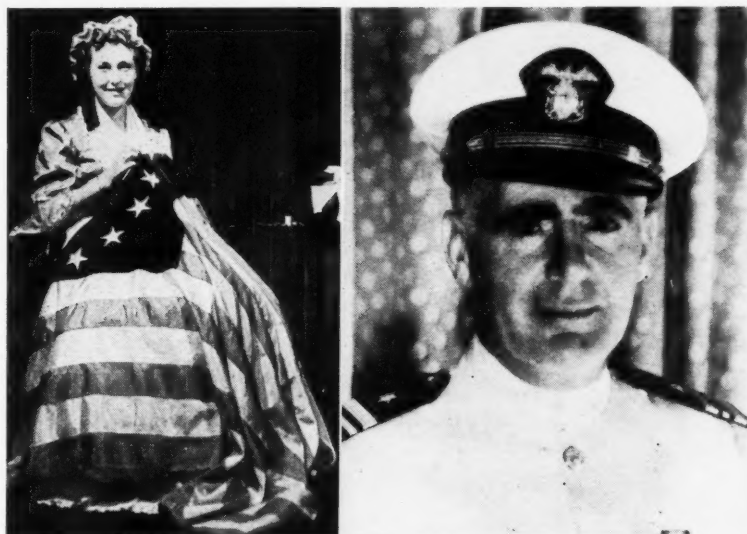
An important selling fundamental should be developed in your original approach—that is, to always arrange your contact or appointment with the most influential member of the firm so you will enjoy the influence he has over the other members of the firm.

Your subsequent interview should be conducted along the lines of an open discussion on the great value of business insurance rather than a proposal involving highly technical points which usually tend to confuse the picture and to delay action.

Use of Model for Lawyer

When the idea is properly sold great care should be exercised in the completion of the technical points which should be in the hands of the firm's attorney. Sometimes it is highly desirable to have a model form of agreement to be presented to the attorney as a guide and evidence of your cooperation.

Too much cannot be said about the value of fundamentals and it is important for you to realize at this point that



Miss Ruth Jent, Fidelity Mutual home office, impersonated Betsy Ross in the colorful exhibit near the registration desk. Henry G. Mosler, Massachusetts Mutual Life, Los Angeles, chairman Million Dollar Round Table, has been recalled to service as lieutenant commander United States Navy stationed at Washington.

fundamentals are not something that can be argued into a plan or promised into a plan, they must be there and if they are not there then the finest sales talk in the world will not act as a substitute.

As you all probably know, there are only three financial points in a man's life: accumulation, conservation and distribution. We believe that most men spend 85 per cent of their time, thought and effort in accumulation, only 10 per cent of their time, thought and effort in conservation and only 5 per cent of their time, thought and effort in distribution.

Believing this to be true, isn't it rea-

sonable to appreciate that the best approach for personal life insurance is to point out the almost total neglect of the importance of distribution—which would automatically result in your submitting an estate planning recommendation that would develop the inadequacy of the personal life insurance.

Now, contrast the 85, 10 and 5 with the position that business insurance occupies. Since we generally agree that the man spends 85 per cent of his time in thoughts of accumulation, which after all is his business, you are presenting, when you present a business insurance idea, an idea that occupies not 5 per

cent of his time but 85 per cent of his time, so you are enjoying the benefit of 85 per cent of a man's active mind.

Referring to the active mind of a business man naturally suggests the subject that concerns the mind of an underwriter. I am wondering and very much concerned about the mental attitude of an underwriter soliciting business insurance. Is he more concerned about what a prospect thinks of him and his plan than what he thinks of the prospect and his ability to appreciate an invaluable idea? Such a man presents a case of one not possessing the courage of his own convictions.

Morale May Be Weakened

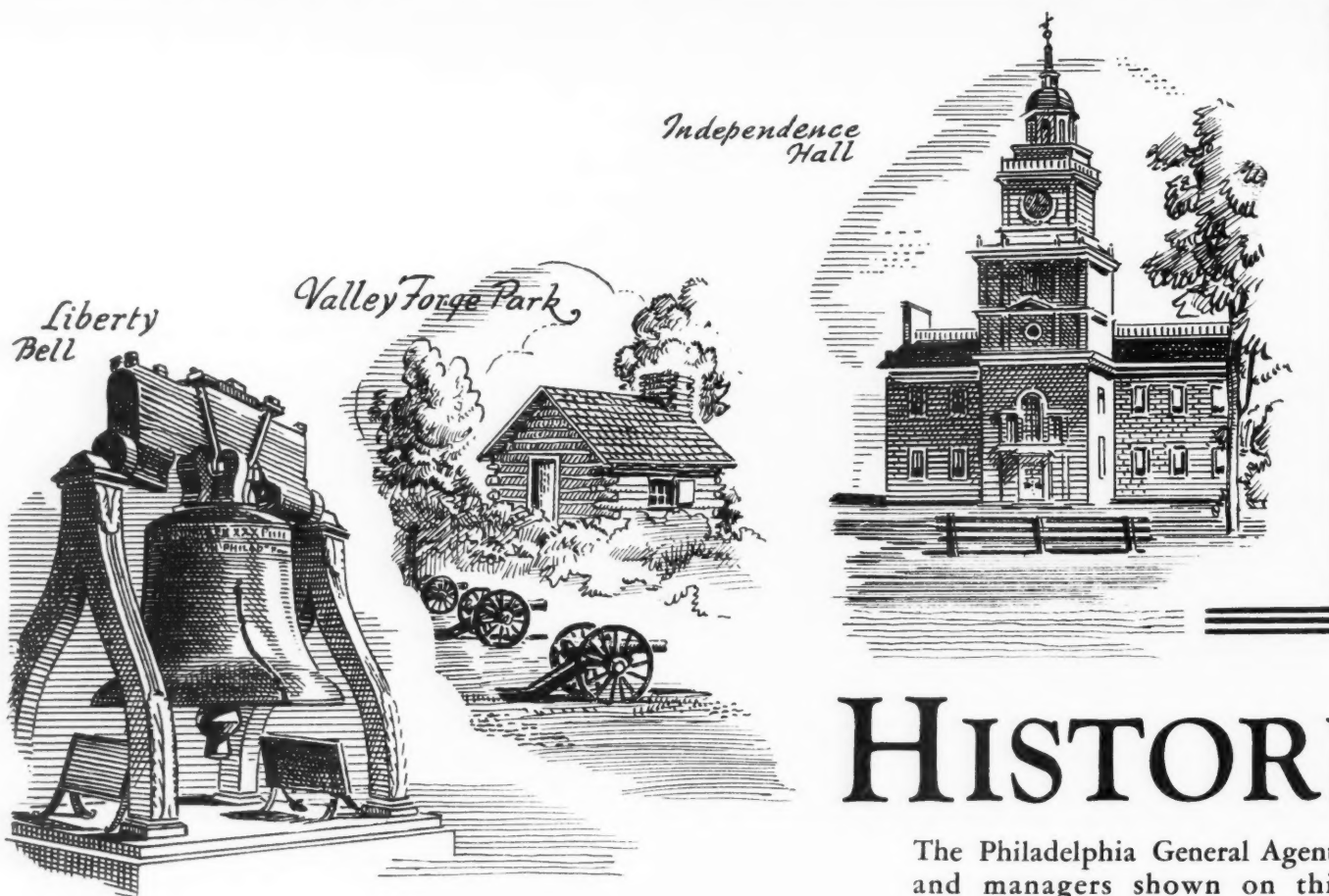
A disrupted mental attitude of any underwriter brings up many angles—it could be a case of having enjoyed real success in the past and little or none in the present. Such an underwriter in an agency, continually expressing and reflecting this attitude, would tend to kill the initiative and enthusiasm of new as well as seasoned underwriters. He is a man "living in the past" and dragging unconsciously this new energy in his direction. How many underwriters are living in fear and apprehension of the future, which after all is only a vision of hope?

If I could only suggest that you close the big iron doors on the past and stop worrying about the future. If you continue to think about the past and worry about the future, what have you to offer for today? And it is today that should concern us.

If we could only build up our mental capacity, increased strength would be reflected in our daily work. Develop the highly important technique of "day-tight" mental compartments. Do this for three days, a week, a few months. Believe me, you would never have to worry about the past or the future—you would enjoy the success that I so sincerely wish to you all.

PLANNED ESTATES
lead to
PLANNED CAREERS
in the
Company of Opportunities*

★ HOME LIFE INSURANCE CO.
256 BROADWAY, NEW YORK



Welcome
N.A.L.

HISTORIC PH

The Philadelphia General Agents and managers shown on this page are deeply gratified that

their city was chosen as the site for the 1940 Convention of the National Association of Life Insurance Companies.

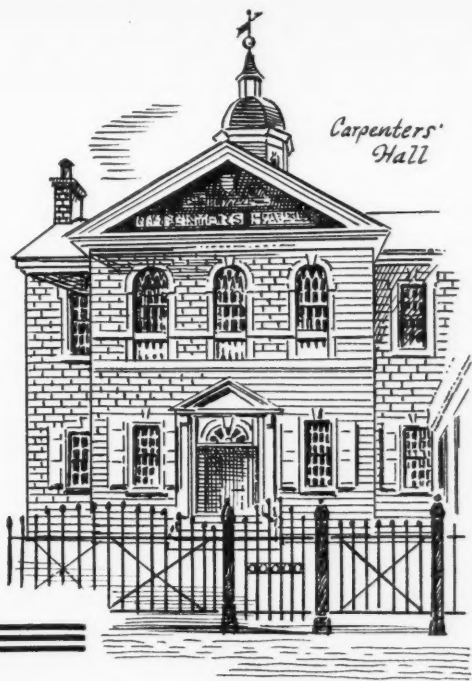
<p>HOMER C. CROSS Manager PHILADELPHIA ORDINARY AGENCY The Prudential Insurance Company of America 2220 Lincoln-Liberty Building RITtenhouse 6010 Philadelphia, Pa.</p>	<p>MILLARD R. ORR, C.L.U. General Agent Massachusetts Mutual Life Insurance Company 1616 Walnut Street KINgsley 0833 Philadelphia, Pa.</p>	<p>A. C. S. HARKIN CHARTERED UNDERWRITER General Agent The Northwestern Mutual Life Insurance Company 1616 Walnut Street KINgsley 1276</p>
<p>C. A. WOOSTER General Agent BROKERAGE AGENCY The Lincoln National Life Insurance Co. 1616 Walnut Street Building KINgsley 1643-4 Philadelphia, Pa.</p>	<p>HAROLD S. MASON Branch Manager Continental American Life Insurance Co. 1100-06 Lincoln-Liberty Building RITtenhouse 5777 Philadelphia, Pa.</p>	<p>JOSEPH L. MILLER Manager The Mutual Life Insurance Company 1616 Walnut Street Building KINgsley 1206</p>
<p>C. A. DUFFIELD General Agent John Hancock Mutual Life Insurance Co. of Boston, Massachusetts 904 Lincoln-Liberty Building RITtenhouse 2773-2774 Philadelphia, Pa.</p>	<p>EVERETT H. PLUMMER General Agent Berkshire Life Insurance Company 1200 Lincoln-Liberty Building RITtenhouse 8558 Philadelphia, Pa.</p>	<p>JOHN J. KONIG General Agent SECURITY MUTUAL LIFE INSURANCE CO. 1616 Walnut Street KINgsley 3433</p>
<p>L. V. DRURY Manager Sun Life Assurance Company of Canada 1616 Walnut Street PENnypacker 4600 Philadelphia, Pa.</p>	<p>LOUIS F. PARET and ASSOCIATES Provident Mutual Life Insurance Company 1818 Lincoln-Liberty Bldg. Philadelphia, Pa. 501 Cooper Street, Camden, N. J.</p>	<p>HOME OFFICE AGENCY Penn Mutual Life Insurance Company Philadelphia, Pa. JOS. H. REESE EDW. L. REILEY</p>

Welcome
A.L.U.

PHILADELPHIA

was chosen as the
the 1940 Convention
National Association

of Life Underwriters. They
heartily welcome the members
and others in attendance.



Carpenters' Hall



Betsy Ross House



Declaration of Independence

C. S. HICKBINER
General Agent

Northwestern Mutual
Insurance Company
16 Walnut Street
Philadelphia, Pa.

CLIFFORD H. ORR, C.L.U.

General Agent

National Life Insurance Company
of Vermont

1616 Walnut Street

PENnypacker 1280

Philadelphia, Pa.

ALFRED B. LEVY

Agency Manager

The Equitable Life Assurance Society
of the United States

Suite 1007-1013 Fidelity-Phila. Trust Bldg.
123 S. Broad Street Philadelphia, Pa.

KINGsley 2436

L. MILLIN, C.L.U.

Insurance Co. of New York
Walnut Street Building
Philadelphia, Pa.

C. A. CHAMBERS

Manager

Reliance Life Insurance Company
of Pittsburgh

2114-20 Lincoln-Liberty Building

RITtenhouse 5623

Philadelphia, Pa.

JAMES A. TYSON

Manager

The Guardian Life Insurance Company
of America

2200 Lincoln-Liberty Building

RITtenhouse 6789

Philadelphia, Pa.

N. J. IONIGAN

General Agent
LIFE INSURANCE COMPANY
16 Walnut Street
Philadelphia, Pa.

C. J. KREUTZER

Manager

PHILADELPHIA ORDINARY AGENCY

The Colonial Life Insurance Company
of America

Suite 928, Fidelity-Phila. Trust Bldg.

PENnypacker 2049

Philadelphia, Pa.

H. SHERIDAN BAKETEL, Jr., C.L.U.

Manager

Union Central Life Insurance Company

2500 Girard Trust Co. Bldg.

RITtenhouse 8440

Philadelphia, Pa.

W. H. REESE

Life Insurance Company
Philadelphia, Pa.

W. L. REILEY

ALBERT C. ADAMS

General Agent

John Hancock Mutual Life Insurance Co.

Fidelity-Philadelphia Trust Bldg.

PENnypacker 7577

Philadelphia, Pa.

ALBERT W. MOORE

General Agent

New England Mutual Life Insurance Co.

Land Title Building

RITtenhouse 4550

Philadelphia, Pa.

What Makes a Millionaire?

(Continued from page 7)

that, guaranteed cost and last and least, dividends.

Do you use an organized sales talk?

I don't use an organized sales talk (the planned and canned variety) but I find myself saying the same things in the same way under certain similar circumstances—so, if you insist on pinning me down to it, I probably use what you might call a disorganized organized sales talk. I feel that if I had used a strictly organized sales talk starting with the very first day that I entered the life insurance business, I would have saved myself a great deal of time and energy, and that being the case, I advise all newcomers in the business to adopt an organized sales talk. Before many months have elapsed, the sales talk will belong to you instead of you belonging to the sales talk.

Do you think the knowledge of statistical information worthwhile; if so, what kind and how do you use it in the interview?

I think the knowledge of statistical information is worthwhile but it is just about the same as any other information—it depends upon how you use it. As one of our boys puts it, "You don't have to be dumb to be in the life insurance business, but it helps!"

I don't believe in using statistics in the interview unless they are humanized or unless they are universally known, such as the expression, "Four out of five have it." Have what? Halitosis and family protection, of course. So, instead of telling my people that only four out of 100 bank savings accounts are kept up for a period of more than 10 years, I use my own visual statistics. They are three little bank books of my own—savings accounts that I, personally, started back as far as 1916 but never kept up. And why didn't I keep them up? Not because of the statistics that four out of every 100 bank savings accounts fall by the wayside, but because of that human weakness of neglecting things unless we are pushed. No bank teller ever told me that I was behind in my monthly deposits. As far as the banks are concerned, they have already given me 24 years of grace since my last deposit, but a life insurance company would have given me only 31 days of grace and many reminders by mail and by telephone before they would have given me up for lost.

RON STEVER, Equitable Society, Pasadena, Cal.:

Do you use circulars or pre-approach letters?

I have consistently used various forms of direct mail for the past five years. I began by sending out mimeographed letters from time to time offering a booklet or other information. This evolved into a printed monthly letter covering estate, tax and insurance subjects which I send to a list of 500. Material of this kind, if dignified and well conceived, will have three advantages:

1. Stimulates interest in estate and insurance matters.
2. Builds prestige for the underwriter.
3. Makes it easier to sell an interview under favorable conditions.

Before calling on a new prospect I always send a personal pre-approach letter. In this letter I call attention to a problem or service which I would like to discuss. It should be brief, interesting and right to the point. I close by stating that I plan to phone at a certain time to arrange for an interview. Not only do I find it easier to arrange an interview following the letter, but it is very helpful in keeping me on the right track. After writing a letter you are under obligation to make the call. However, it is

well to recognize direct mail as an aid to personal solicitation and not as a substitute. An agent can do without a mailing system, but he can't get along without making calls.

What method do you use in building prestige?

As a means of building prestige there is no substitute for a job well done. That added effort, beyond the line of duty, to



RON STEVER

serve a client well will result in the best possible prestige. Certainly there is no finer prestige than to be referred from a client to a prospect and this is an advantage which must be earned. Therefore, I would say the best way to build prestige is to continually strive to offer a better service.

The C. L. U. designation and the underwriter association activities are excellent for building prestige. Business success may be supplemented by taking part in worth-while community activities, such as the community chest, chamber of commerce and various charity and civic organizations. Prestige from civic activities comes not merely by association but by a sincere interest in the activity, by recognizing your responsibility to the community. Do a good job unselfishly and prestige will come; use an organization for personal gain and your motives will be obvious.

The answer to the prestige problem lies in the efforts of the underwriter to pull himself up to a permanently higher plane. This applies to his pursuit of knowledge, to the organizations and activities with which he associates himself, his social contacts, his very thinking and mental outlook.

Do you use the telephone for solicitation? If so, have you any suggestions or advice?

In every case! During the past three years well over 95 per cent of my interviews have been arranged by phone. It is a great time saver, more professional and it builds prestige. However, many successful men tell me it doesn't work with them. They find it too easy to be turned down and so I guess it depends largely upon the individual personality.

I know this—the telephone cannot be used merely as a substitute for the personal call. Don't use it just because you don't feel like soliciting. You must be even more alert when using the phone than in the personal call. One slip on the phone and the interview is over. Obviously, very few cases are sold by telephone, but interviews can be sold. Therefore, I concentrate on selling the interview. Here are a few points that I have found helpful in developing a telephone technique:

1. Have a definite telephone objective.

94 YEARS of DEPENDABLE PERFORMANCE

Why I Chose Sixty-Five-Special



1. "... Like most people, I had two important financial objectives ...



2. "... I wanted a comfortable income during my retirement years—to be absolutely sure that my wife and I wouldn't ever need financial aid from our children ...



5. "... for when I reach 65, the mail man will start delivering a check every month for as long as my wife and I live ...

"... or, if I prefer I can get the whole amount in a single cash payment ...

"... or, if I don't want to retire then, the insurance protection can be continued for the full amount—without my paying any more premiums!

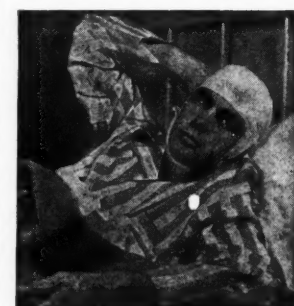
"... and, my family will be guaranteed an income which will provide them with food, clothing, shelter and the other necessities of life if I die prematurely ...



3. "... and, in the meantime, I wanted to be certain that if anything should happen to me, the security of my family would be guaranteed ...



4. "... this dual problem bothered me until I heard about Connecticut Mutual's Sixty-Five-Special. Now I have complete peace of mind ...



6. "... this wonderful contract also provides that if I am laid up for six months or more, all premiums will be paid by the Company."

**Modern Contracts
for
Modern Needs**

CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD



Millard R. Orr, general agent Massachusetts Mutual and general chairman Philadelphia convention committee.

Drive hard for one thing only, a definite appointment for tomorrow. Avoid all extraneous discussion. You are asking for the appointment to present valuable information and should refuse to discuss this information over the phone.

2. Know what you are going to say.

Have an outline of your approach before you and answers to any objections which you expect.

3. Be right mentally.

Don't make the approach by telephone just because you feel low and not in the mood for soliciting.

4. Apply the law of averages.

Experience will determine the number of calls necessary to arrange for an interview.

My own experience would indicate that I can sell nine out of 10 interviews over the phone where I am acquainted with the prospect and one out of four where he is a stranger.

HENRY W. HAYS, Massachusetts Mutual, Rochester:

Do you feel the use of an organized sales talk essential or wise?

Here I must respond with a qualification. I think that "canned" sales talks are excellent for the new agents because these prepared approaches and outlines enable the new agent to tell the story of life insurance more clearly and more interestingly. Furthermore, such talks often supply a ready-made feeling of confidence. On the other hand, I believe that the veteran who has both knowledge and confidence can give a better picture and develop a better sales talk built around his own experiences and personality. I believe that by making each story a different one we can put more enthusiasm, more color, more conviction and more sincerity into our sales presentation, and we become better underwriters because we are trained to think, to meet each situation as it arises instead of being restricted to a monotonous memorized talk.

Have you any pet uses of the family income contract or retirement contract?

Because the family-income contract provides amazingly large benefits at a surprisingly low cost, it is attuned to the times, and for this reason immediately catches the imagination of the prospect. While I have sold the family income policy mainly for the purpose for which it is designed, just as the name implies, to provide regular monthly income to the family, the policy is a pet of mine because it has supplied me with effective approach material. I might add that as a result of family income approach, both tax and corporation insurance cases have developed.

Do you have a quota or goal, and how do you break it down?

I have a yearly quota which I break down into 12 parts. The system is a simple one. My goal for each month this year is to beat the best similar month I have ever accomplished since I started

in the life insurance business 18 years ago. Each month I try to set a brand new record for that particular month. Of course, working each month against maximum figures, I naturally fail 10 to 12 times a year. I realize that I have hitched my wagon to a star, but when I do succeed it is a grand and glorious feeling.

A. J. OSTHEIMER, 3rd, Philadelphia:

How many lives do you consider a healthy year's business for you?

We set no definite quota for lives; this question should take care of itself if we do a normal year's business. Incidentally, we consider this to be \$1,500,000. However, we feel that we should write at least 75 lives if we are to have properly diversified new business.

It is interesting to note that, in the past four and a half years, we have secured regular business for a total of 335 lives. This is an average of 74 lives per year.

Do you plan to see a certain number of people per day or per week?

We do not fix a definite number of new people to be seen during any particular period. However, we always try

to make new contacts as we go. In other words, we have never found it necessary to fix quotas and then to look for the people who are to be contacted because we find that the regular conduct of our business forces us to contact—in person or by phone—a large number of people and real planning is necessary to schedule these in their order of importance.

How important do you consider planning your work?

We believe that exhaustive planning is needed if our business is to progress. However, by the word "planning," we do not mean time control, as it is generally understood. We think planning means organization.

Our business, and each of yours, actually includes separate departments for handling prospecting, research, presentation, underwriting and accounting. If these departments are to function in a business-like manner, they must be coordinated into a smooth running machine. To secure the desired coordination, it is necessary to plan as thoroughly as is required in the production department of an industrial concern. Of course, all departments depend on prospecting if they are to be kept running at full capacity, and we are still somewhat

ashamed of the fact that we have rather a slipshod prospecting department. Nevertheless, it seems somehow to keep all of the other departments jammed continuously.

As an independent operator, do you think there should be an established ratio between the overhead cost of doing business and commission income?

It is extremely important to have more income than expense. To insure this, we always attempt to estimate the potential income that we can receive from each case, the chances of earning this income, and such other factors as good will, by-product business, etc. Then we make an earnest effort to spend less in time and material than we can reasonably expect to earn.

In our opinion, this subject is one that should be studied more closely by those in the insurance business. It always seems silly to us to invest more in a case than you can make from the job when completed. For example, here is a proposal which was recently turned over to us, and which is 16 pages long. At the end, the agent proposes certain contracts on which his first year commission would be about \$100, but he has already invested that much and probably



An American Symbol - 1845

Scarcely 70 years after the Declaration of Independence, this emblem appeared on the first policy issued by the Mutual Benefit. The Founders chose it as symbolic of the devotion to the welfare of others which is the spirit of Life Insurance. The Company they founded has itself become an exemplar of a genuinely

American spirit of cooperative enterprise. The Mutual Benefit began as—and still is—a group of policyholders united for their common good. It has grown to be a great Company through 95 years of adherence to the original principle that what is best for the policyholders is best for the Company.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

HOME OFFICE



NEWARK, N. J.



Above: Joseph H. Reese, manager home office agency, Penn Mutual, and Mrs. W. T. Nichols, Jr., Jackson, Miss. Mr. Nichols is with the Penn Mutual.

Below: Lewis W. S. Chapman, Life Insurance Sales Research Bureau; J. Stanley Edwards, Aetna Life, Denver; Isadore Samuels, New England Mutual, Denver, trustee.

more, too. In our opinion, one should not be mercenary, nor should one lose sight of intangible factors, but one should have a realistic sense of proportion between income and expense.

We find that it is very difficult to establish any inflexible ratio between expense and income. However, we have learned from experience that we should not spend more than \$1 for each \$8 that we take in.

H. K. NICKELL, Connecticut General, Chicago:

"Do you use age change records?"

Yes. I keep a regular book on birthdays, and use this six months back to determine current age changes. My company also furnishes age change slips far enough ahead to contact the client for a complete review of his program.

"When an objection is raised, do you answer it immediately, evade it or dispose of it later in the sales process?"

That depends on the objection. First, I agree that his point is well taken. If the answer is one that I can use to my advantage, I immediately answer it or concede the point. An objection for later disposition depends on its importance, whether it is real or fancied. If the pressure of the idea is doing the selling, as it should, you need have no fear of bringing up the objection for disposition. After your sales idea has really gripped the prospect, give him the chance to repeat the objection. If he is the type prospect worth your while, he probably will never repeat it.

"Do you think it is important to plan for the future, and if so, what are the particular factors in your work which would contribute toward a substantial volume of business in future years?"

Yes. That you must do so is obvious. Constantly building confidence in the

minds of your clients and prospects is the welding of an endless chain, with its links getting bigger at each and every joint.

Be well and favorably known in civic activities by working on such projects as the community chest, church, school boards, YMCA, etc. Show your work under John Doe names to bankers, trust men, lawyers, etc. This is dividend-paying indirect selling under my idea of planning for the future, and don't overlook definitely working in a bracket of ages younger than yourself.

JOHN O. TODD, Chicago:

"Do you believe in insurance to the extent that you own a complete program of your own? If so, is your own program of value in selling?"

No single factor has been more important in the process of persuading men to make real sacrifices in order to purchase adequate life insurance, than the self-convincing argument of taking your own medicine. There is not the slightest question but that my personal insurance has paid for itself every year, for its ownership has been a sufficient stimulus that I am sure my earnings in any year have been increased by at least the amount of premiums due, above what earnings would have been if there had been no premiums to pay.

As a consequence, I have always bought more insurance than my current income at any given time would warrant, knowing that the need to pay for it would give me the power to earn. Accordingly, too, I have found that we set our own level when selling. For if an insurance man who owns \$50,000 of insurance on his own life, meets another man who has \$75,000, he thinks that man is pretty well insured, even though that man's requirements might be double.

*The Friendly Company
Salutes You
one and all*

It is our sincere hope that you may enjoy and profit by attending this great convention. These annual events are planned for you—to give you ideas, inspirations—to give you the benefit of the experience and knowledge of your fellow agents.

The Friendly Company extends its best wishes for a grand convention to you—one and all.



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★
N. A. L. U.
51st Anniversary
★

The offices listed on this page are
leaders in the life insurance field in
Chicago. They believe in the
National Association and for what
it stands, and through this medium
extend their cordial greetings to the
51st annual convention in
Philadelphia.

★

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GENERAL AGENTS

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Chicago General Agents for the

208 S. La Salle St., Chicago

NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

An agency giving its men thorough training and continuous supervision; the services of a competent statistician; policy-holder leads and route lists; commission protection through accepting no brokerage business and no "part-time" agents.

Hence, the more you own, the larger your average case becomes.

What, briefly, is your formula of what it takes to make a success in this business of ours?

An everlasting willingness to pay whatever the price may be to obtain a specific objective. For many men wish they had success in the life insurance business, but are unwilling to pay the price of subjugating every other interest to the attainment of that purpose. It is my firm belief that any man can attain any objective which has become the most important thing in his life to obtain. It has been my observation that practically all million dollar producers are just ordinary life insurance men with a purpose.

Do you consider settlement options of great importance in making your sales possible?

In 10 years, by actual count, there have been only two cases that have gone through my office without the using of settlement options, exclusive of only such insurance as is trusted by a corporate fiduciary. If insurance is sold on the basis of income desired to attain the specific objective of the buyer, the amount of the insurance purchased will inevitably be larger. The creation of the capital through the purchase of insurance is only half of the job. Conservation of that capital is the other half, and this can be attained only through the use of settlement options.

EDWARD J. DORE, Mutual Benefit Life, Detroit:

What type of work do you specialize in?

In the past few years I have specialized in contracts that yield a very attractive certain, definite, automatic and continuous income to successful men in their retirement years.

I say to my prospect, "I am looking at a very successful man today, but present success does not always guarantee final success and I should like to see you in 10 or 15 years from now. Perhaps at 55 or 60 you may be without a guaranteed income, but if you adopt my plan, you will be sure of a certain, definite, automatic and continuous income."

This statement may shock him, but that is what I intended.

I continue: "Successful men tell me that it is more difficult to conserve wealth after it has been accumulated than it is to accumulate it." I find that the men

I talk to have a high regard for a certain, definite, automatic and continuous income for their retirement years even though it may seem a small percentage of their present income. They have an appreciation of a certain, definite, automatic and continuous income that will fulfill their dream to bask in the sunlight of their retirement days.

What age group do you find to be the most prolific source of quality business today?

I find that the late thirties and early forties, when men are in the creative period are the best ages for me. This is also the easiest group for me to contact as they are nearer my own age and the ages of my closest friends and clients.

This group is also easier to talk to about retirement income since most of them lost their money during the depression, have made a comeback and are now more conservative.

They realize from experience, that a certain, definite, automatic and continuous income, even though small, will make for happiness and independence in their retirement years.

My judgment is that because of the conscription bill, the younger men will be less likely prospects due to the uncer-

tainty of their future and the time their call will come.

I believe men of the late thirties and early forties are the most productive group and will continue to be the backbone of industry because of the shifting about of the younger men.

Do you like to use illustrations, or do you carry on the entire interview verbally?

I believe that visual selling is more potent than verbal interviews for I can focus my prospect's attention on something I have prepared especially for him. It also provides a definite track on which to conduct the interview and automatically keeps out extraneous conversation.

PAUL H. DUNNAVAN, Canada Life, Minneapolis:

How do you keep in regular contact with your clients to foster their good will and future patronage?

I deliberately adjust my normal everyday life so that my normal daily contacts with people, whether such contacts be business, religious, social or political, are with the class of people whom I have found by experience to be the best pros-

Nominator



N. BAXTER MADDOX, Atlanta Connecticut Mutual Life

OLD KENTUCKY'S HOMES



"MY OLD KENTUCKY HOME"
Bardstown, Ky.



KENTUCKY HOME MUTUAL BLDG.
Louisville, Ky.

Kentucky Home Mutual Life Insurance Company

extends greetings to the National Association of Life Underwriters gathered in Philadelphia for its Fifty-first annual convention.

The Kentucky Home Mutual Life Insurance Company is an agency-minded company. It is built on a solid foundation, formed through economic management, sound investments, careful selection of business, prompt payment of claims, attractive agency contracts.

We can offer liberal agency contracts to personal producers of proven ability in Ohio, Indiana, Alabama, Florida, Tennessee and Kentucky territory. Write for details.

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ELLSWORTH REGENSTEIN, Pres.

Presides at National C.L.U. Chapter Meeting



EARLE W. BRAILEY, Cleveland New England Mutual Life Retiring National President

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● CABRILLO BOULEVARD, THE WIDE BEACH THOROUGHFARE OF SANTA BARBARA AND THE MAIN HIGHWAY SOUTH TO LOS ANGELES.

The Managers and General Agents of Los Angeles shown on this page take this means of extending felicitations to the N.A.L.U. assembled in Philadelphia. We congratulate this great life insurance organization on its progress.

WALTER J. STOESSEL, General Agent
R. L. INGRAHAM, Associate General Agent
NATIONAL LIFE OF VERMONT
Southern California Agency

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THE UNION CENTRAL LIFE INSURANCE CO.
MARK S. TRUEBLOOD, Manager
HENRY E. BELDEN, Assistant Mgr.

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Los Angeles

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ROBERT S. NORTINGTON, Agency Service Manager
THE CONNECTICUT MUTUAL LIFE
INSURANCE COMPANY
 609 S. Grand Ave.

Los Angeles

WILMER M. HAMMOND
General Agent

AETNA LIFE INSURANCE CO.

10th Floor, 810 S. Spring St.

Los Angeles

J. S. MARR
Manager

RELIANCE LIFE INSURANCE CO.
OF PITTSBURGH

Associated Realty Bldg.

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GEORGE H. PAGE, Manager
LOS ANGELES AGENCY
CALIFORNIA-WESTERN STATES LIFE
 418 Chamber of Commerce Bldg.
 LOS ANGELES



CHARLES E. CLEETON, C. L. U.
General Agent

OCCIDENTAL LIFE INSURANCE CO.

650 S. Spring St.

Los Angeles

pects for me. All other things being equal, my best contacts are with people with whom I have something in common.

I have a definitely planned follow-up system for all types of policyholders, whether they be of the estate type or simply the policyholder type. These contacts are made through a periodic revision of estate programs, insurance programs, new ideas, age changes, and any other reason I can find to keep in regular and constant contact with good clients.

What types of personal advertising do you do in promoting your services?

I use three types of advertising:

Direct Mail—including such items as:

1. Periodic bulletins covering various subjects such as tax news, estate ideas, etc.

2. Twelve months' series of calendars.

3. Charts, such as century of progress charts.

Advertising Specialties:

1. Advertising pencils which I use in lieu of cards.

2. Desk pads.

3. Desk thermometers.

4. Cigarette lighters and any other new specialty which seems to have a sales appeal.

Straight Advertising:

Occasional advertisements in local publications which reach the type of client I am seeking.

Which do you think is more necessary to your success and the success of the average life underwriter—self-motivation and proper mental attitude, or high degree of technical knowledge?

I feel very definitely that self-motivation and proper mental attitude is much more necessary for success than a high degree of technical knowledge. All of us who are trying to do a substantial volume of business, constantly search for

more and more technical knowledge, and believe the constant acquisition of such knowledge is essential to success.

An answer to the question may be found in the Bible, I quote:

"For unto everyone that hath shall be given, and he shall have abundance, but from him that hath not shall be taken away, even that which he hath."

To paraphrase this quotation in order to answer the question, one might say: "To the extent that one can motivate himself to constantly use the knowledge and maximum capacities that he now has, he shall have abundance, but he who fails to constantly use such knowledge and capacities shall lose even that which he now has."

* * *

H. BEN RUHL, Massachusetts Mutual Life, Detroit:

Why did you enter the life insurance business and why have you continued to stay in it?

The reason for my entering the life insurance business was because it offered me the financial remuneration for current living expenses and also, I could see the possibility through renewal commissions of building up a substantial income for myself in later years. Besides the financial rewards, the business had a number of other advantages over my old business.

Prior to the time of coming into the life insurance business I was away from home at least one-half of the time and inasmuch as traveling had lost its charm after my marriage I wanted to get into a business of my own that would allow me to be in Detroit practically all of the time. In my old business I was not sure of being in one city for any great length of time as the company could transfer me to another location at their pleasure. Another good reason for me leaving the old business was that there was always a possibility that the boss's



STELLA
GIBBS

**Greetings
TO THE
N.A.L.U.**



GRANT
TAGGART

Congratulations on a year of outstanding service, and our sincere good wishes for another successful convention.

Official delegates, Stella Gibbs and Grant Taggart, bring to you personally our cordial greetings.

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Western
States
Life
Insurance Company**

HOME OFFICE

SACRAMENTO

**Pacific Mutual Life
Insurance Company
extends greetings to
members of the
NATIONAL
ASSOCIATION
OF LIFE
UNDERWRITERS**

**GRAND OFFICE OF THE PACIFIC
HOME OFFICE LOS ANGELES CALIFORNIA**

sons-in-law would be put over me and would be due to the fact they were sons-in-law and not because they had greater ability than I possessed.

Greater Income Than Anticipated

My reason for staying in the business is because it has provided a greater income to me than I had anticipated, not only current income but in the way of renewal commissions that will come in for the next 10 years. I like the business because the remuneration depends entirely upon my own efforts and besides the monetary rewards there is a great deal of personal satisfaction in knowing that the commodity that we sell does a great deal of good for the people to whom it is sold. A great deal is said about the good that the preacher and the physician do for humanity, but I know of no better feeling of self-satisfaction than the one obtained by arranging a life insurance program that will keep a home intact for all time when the income producer turns into a dead one. I can also look ahead 15 to 20 years and see quite a few elderly people getting checks from their annuities when their working days are over. There isn't any business that I know of where one can make the amount of money he wishes and at the same time obtain that inward feeling of having done the job well.

Dr. John D. Finlayson has said, "In this profession there is room for the astuteness of the attorney, the profundity of the judge, the versatility of the economist, the patience of the teacher, the adroitness of the tax expert, the hopefulness of the investment counselor, the precision of the industrial engineer, the compassion of the social worker, the persistence of the internal revenue collector, and the moral rectitude of the bishop."

What class of prospects do you do business with, and why?

At the present time most of my busi-

Toastmaster at Dinner for Dr. S. S. Huebner



JULIAN S. MYRICK, New York Mutual Life

ness is sold to two types of people. One is the professional group, mostly doctors, and the other group is made up of business men, both old and young. When I started in the business most of my sales were made to the lower income group. From the start I have conscientiously tried to better my selling technique so that I could talk to any type of prospect. Over the years that I have been in the business I have averaged about 85 cases a year and my customers have been every type of individual from the fellow who could only buy \$1,000 of ordinary life to the capi-

talist who can purchase a jumbo line. By conscientious study, my selling technique has improved and for the most part I try to limit my selling today to the successful professional man or the successful business man. To my mind it requires just about the same amount of work to sell a small policy to a wage earner as it does to sell a large policy to one who has a large income but it requires a great deal more finesse in selling and knowledge of the business to get the larger contract.

The ideal selling plan in this business, of course, is to sell only large contracts to people with money and that, of course, is what we should all strive for. My plan of procedure is to sell as many contracts each year as previously but raise the volume on each sale.

Do you specialize in selling any particular type of insurance?

I am endeavoring to do more of estate analysis work and in this type of selling a salesman must use a great variety of life insurance policies. I recommend and sell quite a few single premium whole life contracts to men with substantial estates who have reached the retirement age, or who will reach it shortly. A goodly amount of business can be done by selling the idea to men in this position, that when their business is to be entirely or partially liquidated at their retirement, the best arrangement for them to make is to put this liquidation money into single premium contracts that will either pay an immediate income to them, or will pay an income some time in the future. Here is a good selling tip for men of this type. It is possible for them to make a commitment of a single premium contract and have a bank advance from 70 to 85 per cent of the purchase price so the contract can be purchased immediately, and when their business is liquidated or at the maturity of an investment, the money can be repaid to the bank. A great number of my sales

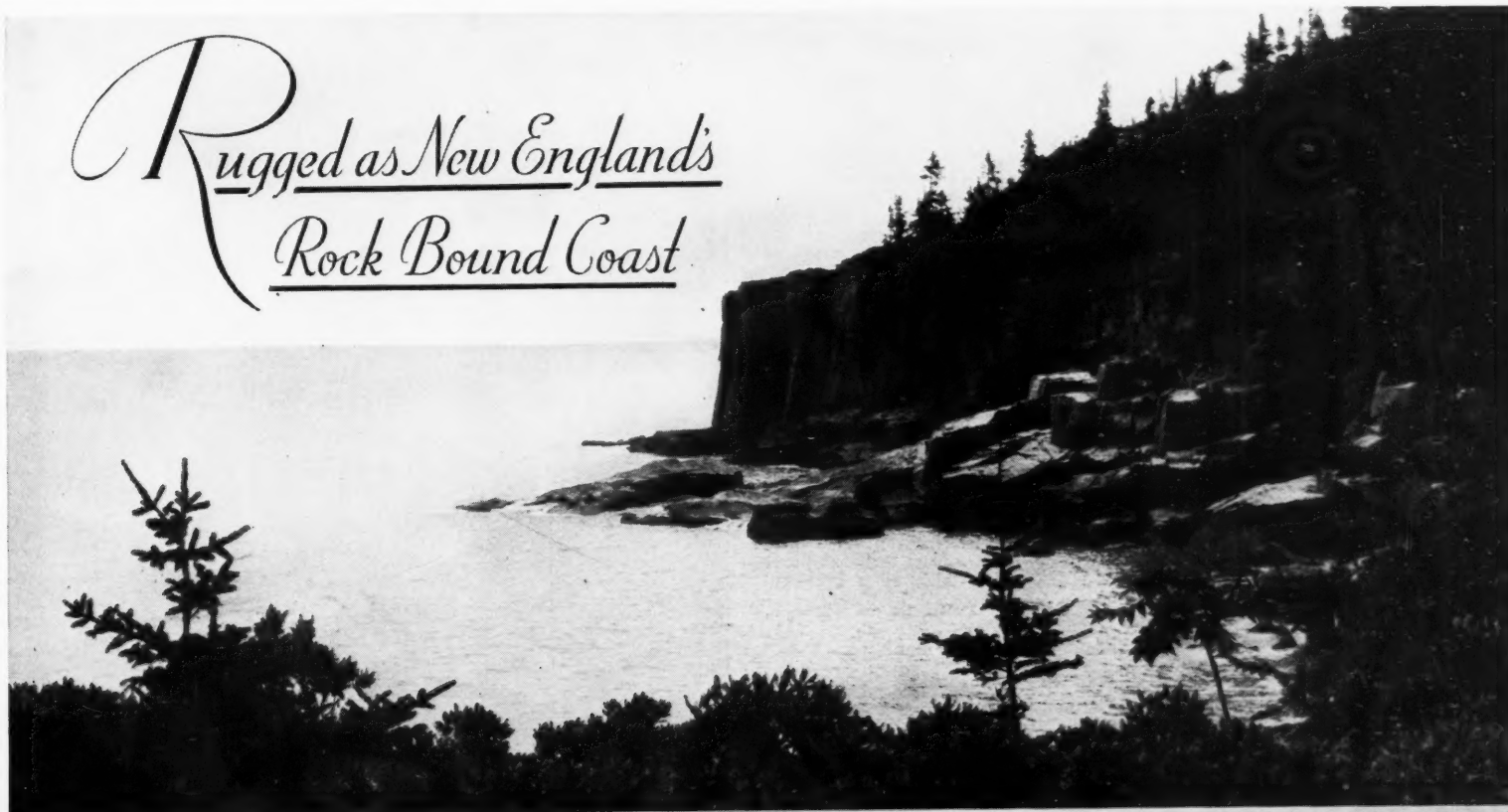
Presents Candidates for C.L.U. Designation



DR. DAVID McCAHAN
Dean of American College

are made with the ordinary life contract with the understanding on the part of the customer that the contract should be changed to a limited payment life or an endowment maturing at 55, 60, or 65. In other words, I endeavor to sell them the idea that their family should be put into a favorable position from the death viewpoint and when this is done they should concentrate on paying the highest possible annual premium so that they get the greatest advantage in the way of an annuity at the time of their retirement.

*Rugged as New England's
Rock Bound Coast*



STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
INCORPORATED 1844

America's Fifth Oldest Life Insurance Company

McLain Discusses Three Viewpoints

(Continued from page 6)

large part of this educational work with the individual can best be performed by women. And in all selling today, strategy is based upon market analysis. There is no disputing the potential market which exists among business and professional women. To serve it properly, there is needed a group of skilled underwriters. My own thinking is that the gender of the underwriter makes no difference in the selling process, but that the finesse and ingenuity of the woman underwriter in prospecting in this market gives her a decided edge.

I know that some women underwriters believe that rules and regulations apply only to men. Some of them "get in the hair" of their associates and are properly classified as "pests." But a lot of men can be similarly designated. The sound underwriter presents no problem to home office—and this is true be the agent male or female.

Prejudice Against Women Forgotten

As an ordinary citizen:

If I ever had any prejudice against women in business, I have forgotten it now, and would even be a little bit ashamed to admit that once I might have had. There has been in indisputable change in women in the past few years. After the Tinsely Twenties—the era Westbrook Pegler pegs as the "Era of Wonderful Nonsense"—came a decade of economic tinkering and sociological thinking. Women as well as men became obsessed with the workings of things—and the professional business woman today is equipped to discuss intelligently the very problems that concern me. Whenever she brings me a product or service that will aid me in solving any of them, I'll listen to her—and whenever

I listen I find she frequently has the knack of picturing my needs in terms of those things that I want. Then she goes to town in a big way with me—and she really has an edge on the salesman who still thinks all sales are made in locker-rooms or on the golf course. More power to the woman who knows her business—and what that business will do for me.

Improving the Companies' Service

Can the services of life insurance companies be improved—and how?

The citizen:

I have great faith in insurance companies when it comes to the question of meeting their policy claims—and I guess that is their major service. But all policyholders aren't dead yet and I believe the companies have something to learn in their dealings with us while we are alive. Here's an example. Whenever I buy some stock in one of our big corporations, even if it's only 10 shares, I get a letter from that company, signed by the president or board chairman, welcoming me as a stockholder and giving me a little build-up of the company and probably a statement which tells about the company's business and its product. I know it's a form letter but I like it and the material accompanying it is attractive, readable and interesting to me as a new stockholder. Now I've bought insurance in six or seven companies. In only one case did I ever get a letter from the head office and although that president did welcome me as a new policyholder it wasn't a particularly warm welcome and he forgot to tell me anything about the company except the year it was organized. In fact, on the few occasions when I have heard from any of my companies the letters seem to follow forms adopted when the company was started—and I have wondered whether they were dictated by human beings or machines.

And when it comes to statements, insurance companies have a lot to learn—if they want to inform rather than confuse their customers. This criticism should be modified a little because I've noticed some improvement in recent statements. But the bills they send me when my premiums are due are about "tops" in drabness, and some of the phraseology on notices, receipts and forms has as much warmth in it as an ice cube. I also get a little fed up when too many new agents approach me with offers of service, when it is so patent that their only interest in me is to sell me some more insurance. In a couple of cases, though, agents have done me a real service by suggesting changes in my insurance plan because of a shift in my personal conditions. To most of the companies and their offices with which I do business, I hand a bouquet for their telephone service. That is usually efficient and pleasantly given. But I reserve something less fragrant for the one company from which I have never heard, except with bills, since I bought a policy from them.

Agent the Forgotten Man?

The agent:

Certainly some services can be improved. Declinations don't have to come back to me so fast and new issues so slowly. Seriously, I think service to policyholders has been improved in recent years. There's room for more improvement, of course, and companies should not forever confuse austerity with dignity, or condescension with warmth. I don't believe the policyholder can truly feel today that he is the forgotten man in the company's picture. I sometimes wonder whether or not the agent is. Here I am not too serious, but it frequently looks as though only in the

agency department is the agent really given all the consideration that I think is due him. I have heard my share of speeches about the place the agent holds in the affections and esteem of his home office associates—and I don't doubt the sincerity of these speakers as individuals. But in plenty of places in most home offices there is a crying need for understanding and appreciation of agents, their problems, their headaches—yes, and their successes.

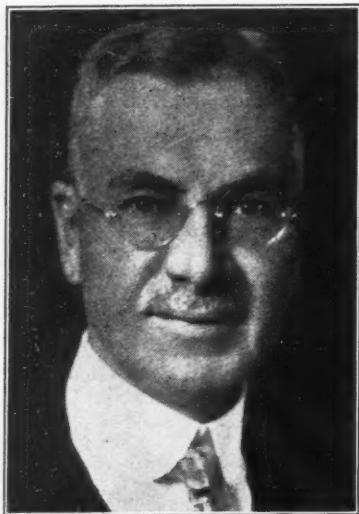
And it does seem a little strange that the impetus for some of the progressive steps which have been taken, leading toward improvements in sales practices and conditions, have been inaugurated in the field. I know full well that all agents are supposed to be cynics. It is too bad, though, that the companies have been restrained by laws, or otherwise, from adopting plans and benefits which will add to the peace of mind, efficiency and the loyalty of the underwriters. I have in mind group insurance and retirement plans. I subscribe to the philosophy that the only security that is worth anything is that which you secure through your own efforts, and I wouldn't trade the opportunity to earn security for myself and family in the American way—but I would feel better about it, in view of recent trends, if my company saw fit to

make even a small contribution to my own plans, based solely on the quality of my performance and the value of my business to the company. There have been many improvements in sales equipment and sales aids. Service to agents today is vastly improved over the time when I entered the business. Just as we agents think that the companies sometimes fail to indicate the proper appreciation of us and our services, we in the field are probably just as remiss in acknowledging the assistance we receive from the home office, but in admitting this I still reserve the right to criticize, and whether or not my complaints are fully justified.

The company officer:

When an industry or institution can no longer improve its product or its service, growth ceases, and it has started on the toboggan slide in our competitive economic system. Certainly, life insurance services can be improved. This can be accomplished, basically and quantitatively, through the sale of just the right amount of insurance, of the right kind, to be administered under the income pattern that is right under existing family circumstances, to every insurable man and woman in this country. While this is theoretically possible, its practical

Sings Swan Song



ROBERT L. JONES

In view of the impending retirement from office of Robert L. Jones, veteran treasurer of the National association, resolutions in tribute to his long and faithful service and to his accomplishments in putting association finances on a sound basis were ordered prepared by the national council at its meeting Monday. President Zimmerman also paid high tribute to him at that session.

Because Mr. Jones was indisposed and unable to be present at the council meeting, Managing Director Hull commented briefly on his 15th report as treasurer, which constituted his swan song in that capacity, mentioning especially the greatly increased expenditures on law and legislation made possible by the increased receipts of the past year.

Talks to Women's Quarter Million Round Table



JAMES A. McLAIN
President Guardian Life

and home office workers—and to do so efficiently and with sound economy.

What are the future prospects for life insurance sales?

The citizen:

I can't speak with much authority, but I do know that with everything else tumbling down around me in recent years, my life insurance has given the best account of itself of any investment I own. Whenever I stop to think of what has happened to some of the other ways I used trying to accumulate funds for tomorrow, I regret that I didn't put more into life insurance when I had it. My experience must have been a common one, and while I know that things are mighty uncertain today, I still believe in our life insurance companies—and I feel if any institution will come through the problems that lie ahead of us, the insurance business will be it.

I have just finished reading that new book of Merryle Rukeyser's, "Financial Security in a Changing World." I was particularly impressed when that recognized authority, talking about life insurance, said this: "No one can prophesy with certainty the monetary conditions and purchasing power of money likely to prevail a few years hence. The

prudent man would therefore rather err on the side of adequate coverage than to risk skimping." If men generally can be made to see the wisdom of Rukeyser's counsel, prospects for insurance sales should be good for the next few years.

Prospects Fear "Uncertainty"

The agent:

The main thing holding back insurance sales today is the universal complaint of prospects that "things are so uncertain." That is the common excuse for postponing action. When you stop to realize that our business came into existence to insure against certain hazards which affect all of us at uncertain times it does seem that a pretty big opportunity is just ahead of us. The depression taught us the necessity for good prospecting. That is a constant—and a continuously shifting problem.

It strikes me that this new American industry of national defense will afford the alert agent many new prospects—and prospects with buying capacity in the many industries which will receive orders, paid for in cash, for supplies and equipment which the defense industry will need. The range of these orders will be wide, affecting many concerns, and running from the heavy industries

to companies making shaving brushes and pencil sharpeners. True, many prospects will be called on for defense training. But their places in industry will be filled by other men and women, many of whom have heretofore been unemployed—and here's another new crop of prospects. From every angle, the future looks bright for the underwriter who is alert and willing to use both head and feet in unearthing the good prospects who will be all around us.

Reading Future from Past

The company officer:

One way to appraise the future is to review the past. Before discussing the immediate future for life insurance sales, let's go back to the time of World War I. In 1915, a year after the outbreak of hostilities in Europe, new life business increased in the United States 6.5 per cent; in the two following years, the increases were 23.5 per cent and 15.9 per cent. In 1919, the first year of peace, there was a tremendous gain of 74.4 per cent. These figures make it appear that war, regardless of our own participation, has acted as a sales stimulant in the past. Is there any good reason to suppose that this fact will not hold true today? Critical times result in a

application lies in the gradual extension of our market through its cultivation by carefully selected and carefully trained underwriters, compensated for their accomplishments as measured by the quality (which includes, but is not synonymous with, quantity) of performance.

Give All Customers Same Service

It is of equal importance that this same service be offered all present customers, to the end that their plans may be periodically reappraised in the light of their present situations, as currently conditioned by economic and political forces in a constantly shifting world. As a matter of fact, we owe just such service to present policyholders, and its rendering would create good-will and policyholder assistance of invaluable aid in the further extension of our services. In short, the public holds our institution in high esteem today because of our depression record. That confidence, we can retain by our performance under all conditions, and in every phase and branch of our activities.

Sales-Condition Home Office

Service to the field could be improved through the sales-conditioning of all units in the home office. Much progress has been made here; more can be done through the education of junior members of the home office staff. These boys and girls, men and women, carry on important and necessary work, some of which is frequently routine and uninteresting in nature, but they are human beings and not machines and it is easy for them to realize that policyholders and agents are flesh and blood, too, and not numbers, as they are coded in our offices. We can, and I believe will, go further in improving selling conditions by eliminating from our sales ranks those unfitted to service and sell in a manner reflecting credit upon the institution and the company. We can do more, and in an improved manner, to build good will for agent and institution, through both cooperative and individual company channels—in personal and impersonal contacts with our customers and the public. We must be alert to recognize agent problems and to assist in their solution as far as is possible under existing laws—and where worthwhile, constructive steps can be taken only by modifying present laws, to exert every effort to have such modifications made.

Our services today are not perfect. We are constantly striving to improve them as they affect policyholders, field

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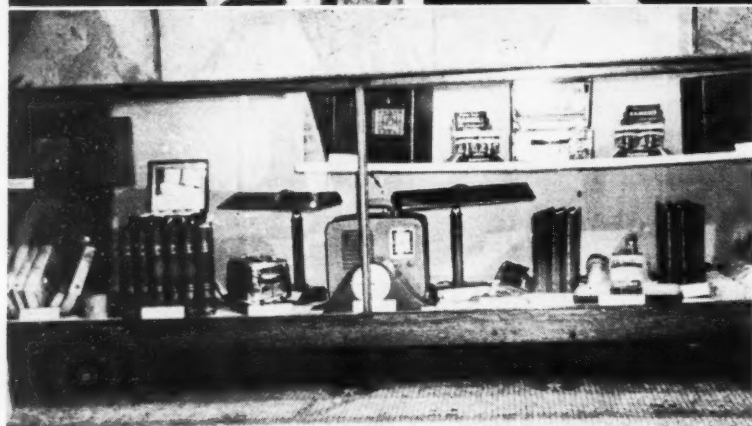
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*An Agency Especially Equipped to Educate
and Develop Steady Producers*



Above: John Witherspoon, general agent John Hancock Mutual, Nashville, and chairman of the managers section; James Hardin, Kansas City Life, Roanoke, Va.; and Paul Sanborn, general agent Connecticut Mutual Life, Boston.

Below: Some of the attendance prizes on display in the lobby.

quickened imagination and a heightened realization of the need for protection and security.

In recent weeks we have witnessed the not-strange phenomenon of an almost hysterical demand that this country be well prepared to defend itself and to insure the security of our American way of life. The tragedy of national unpreparedness with the resultant misery, loss of opportunity and even physical suffering to countless thousands is only the story en masse of what happens when the little family group faces an emergency against which it is unprotected—and which brings on hardships and suffering no less acute because confined to just one family. Men's hearts are moved and their sympathies deeply touched by the awful tragedies of war. There is in national sorrow and suffering an almost overwhelming power that stirs us all. The instincts and emotions thus aroused are the same which the trained underwriter skilfully uses to prevent family tragedies. "National defense" and "national security" we must have, we will have. Both will be stronger in that nation which recognizes the philosophy of family defense and personal security bought and paid for by the initiative and enterprise of the individual.

Finds Business Better

Business, long in the doldrums, is distinctly on the upgrade. With increased business, there comes an increased circulation of money. For many, this means a real additional purchasing power; for others, upon whom the burden of taxation falls more heavily, it necessitates the use of those funds representing the difference between income and outgo with even greater than normal care, in order that these dollars may perform with maximum efficiency. I know of no better employment for increased earnings or for any family-fund accumulation than in insurance.

I see only green lights ahead in the sales end of our business.

Home Life Contest Winners Are Guests at Convention

As a result of outstanding production during the summer months, seven salesmen of the Home Life of New York were awarded trips to the convention in Philadelphia this week as guests of Home Life's Agency Association, an organization of its general agents.

The prize-winning salesmen are Paul S. Gesswein, who is the year's leading producer; Leonard Wentink, Henry F. O'Reilly, I. G. Roos, Paul L. Godchaux, Jr., W. W. Clore and Paul F. Grove, Jr. This group includes men with less than one year's experience with the Home, as well as men who are veterans in the business.

Leo Minuskin, president of the Agency Association and general agent in Paterson, N. J., met with members of the campaign committee at the home office in New York to review results of the summer campaign, which was announced June 29, and closed Sept. 14. Its purpose, besides encouraging interest in the National association convention, was to stimulate summer activity and thereby encourage increased membership in the President's Club, which will meet in Hollywood Beach, Fla., in January. The campaign was successful from that standpoint, as there are nearly twice as many prospective members of the club as there existed at a comparable point in 1939.

Members of the campaign committee who met with Mr. Minuskin are General Agents R. M. Simons and Harry Jacoby, of New York City, and J. E. Lockwood, Philadelphia.

Door prizes in the form of a beauty kit and a week-end at Atlantic City were won at the morning session of the women underwriters by Caroline Owens, Penn Mutual, Parkesburg, Pa., and Mrs. Helen Heydrick, Penn Mutual, Philadelphia.

E. B. Fuller, vice-president Loyal Protective Life, Boston, is representing the home office of that company.

CONQUERING ANCIENT FOES

Growth of modern Life Insurance foretells the day when mankind shall conquer his most relentless foes—POVERTY and DEPENDENCY. Even old age and death shall be made powerless to keep a man from accomplishing his ambitions for self and family. Neither peace treaties nor armaments can give the centuries-old safety of life insurance—the world's oldest and greatest League of Neighbors.

Philadelphia, birthplace of American Independence and Life Insurance, welcomes the 51st Annual Convention of the National Association of Life Underwriters. You are doing a good job of conserving money, of creating and distributing estates, of safeguarding the widow, the orphan and the aged, of providing money when money is most needed. You are mankind's best financial adviser, always fighting for financial independence for the widow, the orphan and the aged. There is no armistice with death or time.

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A POLICY
FOR EVERY
PURSE AND
PURPOSE

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Basil S. Walsh
PRESIDENT

Bernard L. Connor
SECRETARY

John J. Gallagher
TREASURER

SECURITY
AND
SERVICE
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PROTECTION FOR THE ENTIRE FAMILY



WE SALUTE...

THE
51ST ANNUAL
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NATIONAL ASSOCIATION
of
LIFE UNDERWRITERS

Recognized Everywhere As
"ONE OF THE BEST"

CENTRAL LIFE
ASSURANCE SOCIETY

(MUTUAL)

E. H. MULOCK—President
DES MOINES, IOWA

Roosevelt's Talk Called Threat

(Continued from page 6)

obligation to maintain his homestead, his wife, his children and himself, is not only meeting his responsibilities in the American way but also is making a definite contribution to social progress and serving the nation by his own performance. And the vast majority of the people of America are meeting these responsibilities through the ownership of their homes, through deposits in savings banks and other media of modest investment, and through the institution of life insurance as conducted by private companies, subject to the supervision and regulation of competent state authorities.

Function of the Agent

"What is the function of the life underwriter? To sell a policy of life insurance to an individual is in itself a constructive job. To impress upon an individual the importance of assuming and meeting his own responsibilities is a constructive job. To impress upon an individual the importance of his contribution to national welfare is a constructive job. But there must be upon your part a full and complete recognition of the job you are trying to do. With each edition of the newspapers we are made aware of change: Within a short interval of time governments have risen and fallen; geographical boundaries have been relocated; treaties have been made and broken; moral and legal precepts and precepts have been abandoned, broken or abolished. The fate of nations, democracy, and possibly what we term civilization, hang in the balance.

"At such a time, how well equipped is a life underwriter to assist his client in planning or programming a well ordered economic and financial life unless he has thoroughly grounded himself with knowledge of the fundamentals in our existence?

Fundamental Principles

"And having an understanding and appreciation of fundamentals, particularly of human values and human nature, are you as underwriters interested and prepared to add the superstructure with an understanding in the fundamental principles and problems in economics, in sociology, in political science, in finance, in banking, in money and credit, in the laws affecting business problems, in taxation, in the law of trusts, decedents' estates, and other similar phases of study in following the great social and economic changes of which we are a part.

"The future holds a challenge for you. If the institution of life insurance is to remain as a constructive force and power in American economic life, it must be supported by an able group of life underwriters equipped through study and applied knowledge to bring to the American public an intelligent understanding of the institution of life insurance and the service which it renders.

"What mean these words of the President of the United States? But a few days ago, President Roosevelt, in a studied address to the Teamsters' Union remarks:

Steady, Deliberate Progress

"Our progress must continue to be a steady and deliberate one; we cannot stand still, we cannot slip back. We must look forward to certain definite things in the near future. For example, the benefits of social security should be broadened and extended; unemployment insurance should cover a large number of workers. Our old age pension system must be improved and extended; the amount of the pension should be increased, and above all, these pensions must be given in a manner which will respect the dignity of the life of service and labor which our aged citizens have given to the nation. It is my hope that

soon the United States will have a national system under which no needy man or woman within our borders will lack a minimum old age pension which will provide adequate food, clothing and lodging to the end of the road without having to go to the poorhouse to get it.

"And I look forward to a system which, in addition to this bare minimum, will enable those who have faithfully toiled in any occupation to build up additional security for their old age, which will allow them to live in comfort and happiness."

"What mean these words of the President of the United States?

Threat to Free System

"Surely everyone will agree that no needy man or woman within our borders should lack a means to provide adequate food, clothing and lodging to the end of the road without having to go to the poorhouse to get it. But are we to look forward to a national system to make possible that which free American men and women have endeavored to accomplish for themselves? The record of

American life insurance is not that of a few individuals or corporations purchasing substantial amounts of insurance. Rather it is the record of thousands upon thousands of so-called forgotten men remembering to provide modestly but soundly for their own comfort and happiness and in a manner which respects the dignity of the service and labor rendered by such persons to their families and to the nation.

"Are these words of the President a threat or a challenge to the American public and the institution of life insurance? Is the man in the street to be encouraged to continue to develop his initiative, his character, his savings and thrift, and to accept and to meet his responsibilities? Or is he to have held out to him the promise of a national system which will relieve him of those responsibilities of citizenship which have built his character and our progress as a nation.

"I take it as a challenge to America and the life underwriters of America.

"In clear and unmistakable language the average American has been told that, ignoring any provision he may have made for his own future and his responsibility to prepare for his own future, the social structure is endangered, and a national system is to be prepared to displace the freedom, the enterprise, the



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Forward— THROUGH PROSPERITY, WARS AND DEPRESSIONS

The Indianapolis Life Insurance Company, a Legal Reserve Mutual Company, organized in 1905, is proud of the record of the Institution of Life Insurance through good years and bad.

It also points with pride to its own share in the record of these years, and it faces the future with courage and confidence.

FROM DECEMBER 31, 1929 TO DECEMBER 31, 1939—

ASSETS OF THE INDIANAPOLIS LIFE INCREASED 129.6%
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In addition to these gains FOR POLICY-HOLDERS, it paid \$16,236,362.36 to policyholders and beneficiaries during these years.

The Company's conservative course of management through the years has thoroughly fortified it to face whatever the coming years may bring of prosperity or problem eras.

Indianapolis Life Insurance Company

Over \$113,000,000.00 of Insurance in Force

Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Iowa, Texas and California

EDWARD B. RAUB
President

A. H. KAHLER
2nd Vice-President
Supt. of Agencies

thrift, the courage and the character which have given America its growth. And it is with this challenge that I bring to a close the American College hour, saying to you that life insurance with its opportunity for individual enterprise and initiative, with its established record of social performance, with its magnificent history through wars, disease and panic, is truly the epitome of American democracy.

"In the face of this challenge, are you prepared to build its future?"

T.N.E.C. Investigation Evils Condemned by Prof. Young

(Continued from page 5)

this, which must naturally involve a detailed study of the motives and methods followed during the inquiry, suffice it to say that if the relation of government to life insurance were to be changed, that change should be based upon some investigation which would command the general respect and acceptance of life insurance circles. Any proposals of new legislation founded on partial, biased, or doubtful data must create distrust and suspicion. They could not receive, nor would they deserve, the whole-hearted cooperation of those directly concerned.

Positive Suggestions Needed

"But if we reject the government investigation thus far made on the ground that it is distorted and biased, then it behooves us to state in some more positive form what should be the methods followed in a genuine inquiry.

"To this end, let us draw up a brief list of specifications on which leaders of the life insurance institution and the government could agree as guiding principles for a truthful investigation and let us draft these in such a way as to avoid the mistakes made in recent government inquiries.

"First and foremost, we are confronted

by a fundamental alternative—shall government inquiries seek to find out what, or shall they seek to prove that—(that being something already determined in advance)? With surprisingly few exceptions, our recent investigations have been of the latter type. The purpose, methods and procedure have all been directed toward 'getting something on' somebody, some group, some industry. We have allowed our public investigations to degenerate into governmental lynch law. In all such lynching parties a list of victims is carefully selected in advance, their books, records and papers are ransacked to discover some mis-step. The evidence is then presented at a public hearing with resounding blasts of publicity.

Can Always Scrape Up Dirt

"Any enterprising attorney equipped with a vast array of investigators, with compulsory process for obtaining testimony, with free access to the entire papers and files of any business in the United States, could readily and quickly scrape up enough dirt in which to plant the seeds of drastic legislation. But here a sobering thought suggests itself. When a similar process of investigation has been turned upon agencies of the government, it has never failed to yield even more startling results. So much so that government agencies now put forth every effort to prevent public investigation of their methods and procedure. Lest this might seem to be a broad statement, let us recall the efforts made to stop investigation of the S.E.C., the F.C.C., the N.L.R.B., etc. All of these agencies and their sponsors as well know and fear the devastating effects of a public inquiry directed with a view to proving that, rather than discovering what.

"2. In carrying out this first guiding principle, it seems essential that before any inquiry begins, its full nature and purposes should be frankly and openly

disclosed to the public without reserve.

"3. If the inquiry is to serve as the basis for lawmaking, it should be under the complete control of members of Congress. During the recent life insurance inquiry the chairman, a senator, repeatedly and emphatically disclaimed all intention by the committee of putting the government into the life insurance business, or of seeking to control the investments of life insurance companies, while at the same moment the administrative members, really directing the inquiry, were busily digging up such facts as would support both of those steps.

"This third specification directly implies that if Congress is to undertake the responsibility for an inquiry, it should control and direct that inquiry or else place it in the hands of those who do not itch for more power.

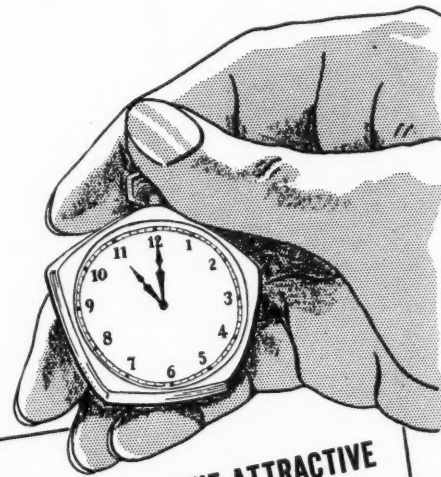
"4. In exercising such control it is essential that the main lines of questioning by committee counsel should be submitted to and approved by the committee itself in advance of each main division of the hearings.

"The T.N.E.C. hearings have again and again revealed that curious anomaly of an investigating counsel, ostensibly

serving the committee, going aside into lines of questioning which were totally unexpected by the committee members, and apparently disapproved by many of them. The practice of turning the entire course of an inquiry on important points over to the committee counsel should not be tolerated, but a firm, positive control and direction should be retained by the responsible committee members themselves.

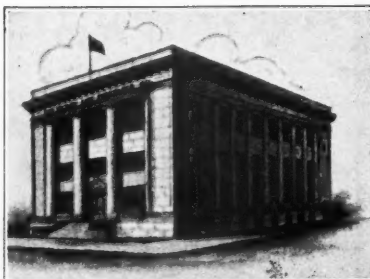
Attorney Seeks Publicity

"We may realize the importance of this proposed specification when we recall that for over a generation the work of an investigating committee counsel has been a potent means of securing for him favorable personal publicity, sometimes public office. The committee attorney, knowing this, is sorely tempted to extract every advantage by pressing his inquisition to extremes and by attacking the practices, policies, and even the characters and income tax records of those who are stretched upon the inquisitorial rack. Men rise to fame by well advertised investigations of other men. In a notable recent instance, the committee attorney even ran for an elective public office during the course of the



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JAMES A. ALLEN, President

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inquiry, apparently hoping to harvest upon the sensational publicity which he had created. One can hardly regret that he failed of election.

"5. It seems vital that in any public hearing to be reported by the newspaper press, whenever highly controversial evidence is offered, those concerned shall have immediate opportunity to cross-examine witnesses and to introduce corrective testimony in order that a complete and unbiased statement of essential facts shall not only be placed in the official record, but also spread upon the pages of the daily press.

Separate Fact-Finding, Publicity

"6. To the same end, it would seem vital that a complete and total separation be made of the two functions of fact-finding and public propaganda. It is submitted that only the former should be undertaken by a government investigative committee.

"7. Following this same objective, all efforts of counsel, witnesses or investigators to give out sensational or misleading publicity should be instantly suppressed under the authority of committee rules for whose enforcement the chairman should be definitely responsible.

"8. Any inquiry which is to serve as a basis of law-making could readily be and should be planned in consultation and cooperation with representatives of the life insurance institution and of its policyholders, so chosen as to give a fair cross-section of important elements and interests. Such a choice in order to secure the benefits here aimed at should not be made by government agents but should be left to the selection of the managements and the policyholders concerned in order that the views, the wishes, and the interests of all should be fairly represented.

Safeguard Against Partisanship

"9. A specification urgently needed is the requirement that the rules, the methods, the procedure and the spirit of the investigation shall be in some practical way safeguard against partisanship and predetermined conclusions. It would not be a difficult matter to gather together representatives of Congress, of the executive, and of business to formulate a code of such safeguards. Nor would it be difficult to point out instantly any deviation from this code by administrative or Congressional investigators. With such a code of procedure before it, any investigating body and all the interests concerned would be guided and protected in a way which is unknown to our present procedure. The present practice of lynching by investigation would speedily come to an end.

"10. Is it not time to demand that in any investigation of the life insurance business, or of any other business, some different type of personnel from that hitherto employed in such inquiries shall be engaged? There are undoubtedly situations in which the sharp and cunning prosecutor eagerly seeking to 'get something on' the reluctant witness may perform a public service of some value. But in the long pull, we don't need witch-burners, we need rather both in the committee's membership and in its counsel men whose aim is to develop fully both sides of any controversial question. Our basic aim is to inform the government and the public. This means that the regulation of life insurance or of anything else should rest upon facts found not by prosecutors but by genuine investigators. In short, let us demand that the members and agents of our investigating bodies, that those who give us our government data shall be men who recognize the fundamental difference between a basic smear and a truthful inquiry."

Anna M. Gustafson, Penn Mutual, Philadelphia, when an undergraduate at the University of Illinois in 1918, attended classes in economics under John A. Stevenson, now president of Penn Mutual.

Shows Investment Value of Insurance

The value of insurance as an investment and the fact that it has proved to be without peer on the record was emphasized by Lillian L. Joseph of Home Life in New York in addressing the Women's Quarter Million Dollar Round Table. She said:

Life insurance has proven itself at all times, both in good and depression periods, to be rock-bound, an investment that has stood up in comparison to all others.

It has been the belief of many that life insurance was nothing more than a protection contingency, in other words, die to win. However, with the introduction of the many types of contracts, each to suit a particular need, this theory has been disproved. Life insurance, I state with almost no reservation, now plays a feature rôle in the present investment world. May I explain this in a little detail.

An individual when seeking to invest capital has in mind a profitable return, either immediately or some time within the immediate future. Annuity and income policies are designed for this express purpose, yielding either the immediate income or the instalment at some later age. The immediate income annuity is particularly suited to the elderly person, the retired man or the widow. They, as we all know, are the "easy marks" for all types of bogus investments.

Young Man's Contract

Young business men have found that the contract combining insurance with annuity is an excellent source of investment. The objective of this policy is two-fold: to provide insurance for his family and at the same time to afford him an excellent return in the form of a monthly income. In many instances, the contract yields an appreciation in value over the money deposited.

Then, there is the problem of the young girl, the school teacher, or the business woman seeking that type of investment which will provide marriage funds, savings or income. The endowment contract provides for just this contingency, offering the opportunity of gradually creating a fund whereby such persons may pension themselves in one form or another.

The inspiration to forge ahead for the sake of children has been prevalent almost since the world began. How can we make them happy? How can we assist to make them successful? How can we mold their characters? How can we provide for their educations? These are but a few of the many questions that exist in the minds of all parents. A college education is most essential in this highly competitive world.

By sending a child to college, a parent may justly feel that he or she has done an ample share in striving to make the child happy, successful, and virtuous. Here again, life insurance has spanned that gap which so often confronts a parent, when he finds his funds too limited to send his child for further training. The educational policy has been that form of investment which takes care of just such an emergency. The parent is able with this type of contract to invest over a period of years, commencing at the child's early age, the funds necessary to pay for a college tuition.

With our present method of educating the public to become insurance-minded, we are able to submit uniform, consistent and explicit plans of the type of contract required to a particular situation, quite comparable with the detailed paraphernalia submitted by many houses offering other types of investments. By planning a man's estate, we are able to show precisely what his investment will be, and precisely what it will do towards his progress and economic stability.



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JOHN H. McNAMARA Founder

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Top—Harriett Kleinfelder, Fidelity Mutual, handing to E. L. Reiley, president Philadelphia association, a circular promoting Earle H. Schaeffer of Harrisburg for trustee.

Bottom—In charge of the entertainment desk in the main lobby: Malcolm L. Williams and Walter D. Cross, assistant managers of agencies, Provident Mutual home office.

Accuracy, Brevity, and Continuity Sanborn's Slogans

Accuracy, brevity and continuity were listed as the ABC of writing business life insurance by Ralph Sanborn, associate general agent, Connecticut Mutual Life, Boston, co-chairman of the seminar session on that subject Wednesday afternoon.

He advised against attempting to specialize in business insurance. He said he had tried it himself for 8½ years and it was "a case of starvation during the drawn-out solicitations involving several individuals on each case and abundance during the low percentage of high returns on the successful cases."

Needed to Average Up

However, he declared, business life insurance is profitable for the average agent. "You must secure your fair share of it to average up the smaller cases that involve less commissions and larger efforts. Equip yourself to recognize the needs and to advance the sale within the precincts of your abilities. Prepare yourself, on the other hand, to turn to your general agent or some other competent associate for assistance on the inevitable technicalities of the sale. You just can't practice them often enough to keep them fresh in your mind."

Mr. Sanborn said that in 1927 he wrote a book on business life insurance, which he now describes as a "magnifi-

cent effusion of complexities" on the subject—"260 pages of unadulterated technical exposition."

"Since then," he added, "having got that off my chest, my by-word, my catch-word and my single-word catechism has been simplicity in the sale of business life insurance. The needs are simple: The policies with which to protect the needs are simple. I might even say that the prospects themselves are simple."

"In the presence of a business life insurance prospect, keep saying to yourself, as if talking to the prospect: 'You need it. I've got it. Let's do business.' Let an average life underwriter—that's you and that's me—be hornswoggled into a discussion of taxes, trusts and technicalities and he's usually bouncing over the peaks of the roller-coaster, but out of control."

Accuracy First Essential

Under the heading of accuracy, he listed the necessity for knowing the correct spelling of a man's name. Is he 52, or does he just look that old? Is he president of a corporation or is he its treasurer? Or is it a partnership and not a corporation at all? If it is a corporation, what is the preponderant need? Is it for a stock purchase plan? Or is it for a direct compensation or shock-absorber plan? Or, by chance, is it for credit reinforcement? Is he the right man to talk to? Or is he just a titled stuffed-shirt with one share of stock and no authoritative voice?

"The slovenly solicitor," Mr. Sanborn said, "doesn't know about accuracy. The careless agent doesn't care about it. On

the other hand, the good life underwriter keeps A for Accuracy at the top of his sales lexicon."

B in his formula stands for Brevity. "Remember—'You need it. I've got it. Let's do business.' Hew to that simple line and make the prospect hew with you. If the solicitation becomes complicated or protracted, it's because you permitted it. If you become involved in a discussion of technicalities, you're apt to be lured beyond your depth. You may be aiming beyond your range. And all because you've forgotten about brevity. All because you have failed to stick to your prearranged plan of attack on the right man, for the right reason, at the right time and with the right material."

He characterized continuity, the third of his alphabetical series, as the essence of sound sales procedure.

"Who is your prospect? Where will you find him? How can you get to him on the best possible terms? What do you want the prospect to do? When do you want it done? What will you do? How will you do it? How about examinations? Have you eliminated every surplus idea, motion and suggestion? Is everything in its proper order and proper sequence to fit the circumstances? Don't forget continuity."

R. B. Coolidge Sees Wide Field in Agent's Job

(Continued from page 15)

the views and the thinking of the American people. In the final analysis, the politicians are going to carry out the wishes of the people. Ultimately, they must translate the views of their constituents into laws."

At this point Mr. Coolidge reviewed at some length the survey in the February edition of "Fortune," which shows the conservative trend of thinking of the American people.

"The fate of our business is in the hands of the American people," he continued. "I am quite content that it should stay there. These questions show that the great majority of the American people are sound and conservative in their thinking. I cannot believe that people with the views shown in these surveys would ever permit an industry which has been so successful as ours to be torn up by the roots and transplanted in some unknown soil. And so I say to you that the job of the life insurance agent has not only been a good job in the past, and is not only a good job today, but it will continue to be a good job in the future."

TWO DECLARATIONS OF INDEPENDENCE

IN CONGRESS, JULY 4, 1776

The unanimous Declaration of the thirteen united States of America.

When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, — That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, in such a case, dictates that慎重 steps should be taken; that the people should suffer all the evils of the former Government, as long as they can be endured, and that they should not, at one stroke, throw themselves into the arms of another, lest they should be exposed to new and more oppressive ones.

Now, in the second year of their independence, they have declared their independence, and have established a Government of their own. They have declared that they are no longer connected with Great Britain, and that they are free, sovereign, and independent States. They have declared that they are entitled to the same rights and privileges as the other States of the Union, and that they are bound to support and defend the Constitution of the United States.

By the signing of this Declaration, the people of the United States have declared their independence, and have established a Government of their own. They have declared that they are no longer connected with Great Britain, and that they are free, sovereign, and independent States. They have declared that they are entitled to the same rights and privileges as the other States of the Union, and that they are bound to support and defend the Constitution of the United States.

BERKSHIRE LIFE INSURANCE COMPANY
PITTSFIELD, MASS.
INSURANCE ON THE LIFE OF

AMOUNT _____
DATE OF POLICY _____

The assured is hereby notified that by virtue of this policy he is a member of the BERKSHIRE LIFE INSURANCE COMPANY, and is entitled to vote either in person or by proxy at any and all meetings of said Company. The annual meetings are held at its Home Office on the 20th day of January in each year, at 2 o'clock P. M., or should be Sunday, on the 21st day of January, in case the 20th is a holiday.

Berkshire Benefactor Policy
Payable at death.
Premiums payable during life, graded 1st to 6th year inclusive, level thereafter. Annual dividends.
Issued January 1, 1928
Form 1001

PEOPLES' INDEPENDENCE

On July 4, 1776 a declaration was signed in Philadelphia, granting to the American people the rights of FREEDOM OF SPEECH, FREEDOM OF PRESS, FREEDOM OF RELIGION.

This declaration can be summed up in two words—PEOPLES' INDEPENDENCE.

Today, you, the Life Insurance Underwriters, meeting in Philadelphia are carrying on that tradition by offering the American people another practical kind of INDEPENDENCE—financial independence in the form of Life Insurance.

You have carried on this work effectively—but there is still much to be done in educating the American people to the value of your services. WE COMPLEMENT YOU ON YOUR SPLENDID WORK, and are confident that the inspiration received here will bear fruit and enable you to do even better in the future.

BERKSHIRE LIFE INSURANCE COMPANY
INCORPORATED 1851
FRED H. RHODES, PRES. • PITTSFIELD, MASS.

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The **NATIONAL
UNDERWRITER**

The Diamond Life Bulletins

SALESMANSHIP SECTION (Seven Volumes)—Subjects: Prospecting; Time and Work Control; Sales Talks; Programs and Audits; Settlement Options; Federal Income, Estate and Gift Taxes; State Inheritance, Estate and Gift Taxes; Wills; Estate Planning; Business Insurance and Annuities. Practically every sales problem encountered today may be solved by a study of this work. Monthly Supplements temporarily bound for Agency study. Monthly review of current tax cases decided by the courts.

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J. J. Kellam Traces Steps In \$124,000 Business Sale

(Continued from page 8)

they wanted to accomplish and the position they wanted to be in. They wanted to share the ownership of the business which was not set up on an equal basis. They wanted the surviving brother to own the business and to get back any life insurance on his own life that had been set up in the stock purchase plan. "The problems from the sales angle were over because in the first two interviews I had accomplished what I generally set out to accomplish in the first interview, namely, I had established confidence, gotten the facts, and found a pressing need for my services, and incidentally, for a total of \$124,000 ordinary life which was necessary to carry out their wishes on the stock purchase arrangement, and also to furnish the minimum income program agreed upon in the event they did not live to see their families through.

Sale Was Combination

"I would like to stress that this sale was a combination of stock purchase sale for about three-fourths of the total insurance involved, and the balance was a program sale to make up the difference that the respective families would need, such premiums being paid by the corporation treasurer and charged against the individual accounts of the purchasers.

"In the second interview, I also found out what attorney they wished to use to draw the trust agreements and to remake their wills. I arranged on the following Saturday to have these two clients and their attorney to meet with me. Then, I had the complete program worked out and simplified so that I could explain it to the attorney in their presence. It might be of interest that the premiums in the meantime had been

paid before the interview with the attorney had taken place.

"The attorney was so impressed with the set-up that he called me the following week and asked me for \$25,000 insurance to cover a business situation calling for insurance on his life.

"Getting back to the facts of the situation, how the prospects were when we found them, and how they were when the job was completed, there are many points to be made.

"1. The ownership of the stock was not held in the proportion they desired it to be held. When we went into it, there was a 60 per cent ownership by the wife of the first party and 30 per cent ownership by his brother, and a 10 per cent ownership outside. Arrangements were made to buy out the outside party and redistribute the stock on a 50-50 basis. What actually happened was that my first client became owner of 25 per cent of the stock, his wife, 25 per cent, and his brother, 50 per cent.

Stock Purchase Plan

"2. There was no stock purchase plan and there were insufficient funds to purchase the younger brother's stock after the adjustment ownership. This was taken care of by the insurance arrangements.

"3. Part of the insurance on the lives of the brothers was being paid for by the corporation. In some of the policies the corporation was named beneficiary, but none of this insurance was arranged to give the corporation ownership although they had thought it was and carried the cash value on their books as an asset.

"4. The insurance owned was not arranged in a real program, or what you and I would call a program. While the original prospective client had a lot of insurance, when I set it up on a clean-up fund and minimum income basis, he saw the inadequate provisions it would give his family. He was then willing to increase his insurance so that it would

Why

has approximately 14% of all new life insurance written by Federal Life agents in recent months been on one particular plan—the Streamliner?

Because

the Streamliner is a combination contract providing Life - Health - Accident - Hospital coverage in one policy.

This combination comes in packages of all sizes from \$1,000 Life and \$25 monthly indemnity up to \$10,000-\$200. Rates are especially attractive.

That's why about one out of every seven new policyholders buy COMPLETE coverage in the Streamliner package.

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DENVER, COLORADO

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Low cost Participating Life Insurance
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Ideal Protection Policy

*A Convertible Term Policy for
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Policy issued at age 35 provides term insurance to age 69. The policy is convertible prior to age 60 without examination. Waiver of Premium and Accidental Death Benefits may be included. Also issued on sub-standard lives.

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provide what he wanted his family to have in the way of a clean-up and readjustment fund, a larger income during the years of acute dependency, and a minimum life income for his wife.

"A program was also arranged for his brother calling for the identical amount of total insurance. This meant \$80,000 on the brother, \$30,000 on the original prospect, and \$14,000 on his wife, the total annual premiums amounting to approximately \$4,000.

"It is very apparent to me that when I have once decided upon what I would do if I were in my client's shoes, from that point on I must work objectively. I must make him see his situation and my proposed remedy as clearly as I see it, feel it as deeply as I feel it, believe it as firmly as I believe it, and act upon it as I would act upon it, for only then have I given service for profit."

Trial in Realistic Setting

The playlet, "The Trial of John Q. Agent," was staged in a most realistic atmosphere Thursday afternoon at Philadelphia City Hall.

Lincoln National Luncheon

A group of about 30 Lincoln National representatives gathered for luncheon Wednesday. The home office contingent consisted of A. L. Dern, vice-president; C. F. Cross, second vice-president; A. H. Hammond, superintendent of agents.

Apple Treat Appreciated

The passing out of apples to those leaving the convention hall Wednesday by the Detroit group seeking the convention in 1941 was a treat. The sight of hundreds munching apples on the streets of Philadelphia would have been most gratifying to the Michigan Fruit Growers Association, through whom the gift was made possible. The street cleaning department of Philadelphia was doubtless annoyed, however, as the Detroit people overlooked providing receptacles for the apple cores. In all 40 boxes of apples were distributed.

R. L. Jones on Feet Again

Robert L. Jones, State Mutual, New York, the retiring national treasurer, who was indisposed and unable to give his report at the national council, Monday, was able to be about by Wednesday.

Reviews "Trial" Skit



JOHN MARSHALL HOLCOMBE
Sales Research Bureau

Roos Wallis Door Prize Man

Roos Wallis, Equitable of Iowa, had one of the most interesting jobs of the convention. He was chairman of the door prizes committee and superintended the awarding of the many handsome trophies at the main sessions at the managers' section meeting and at the women underwriters' meeting. The most coveted prize of all, an automobile, will not be awarded until Friday.

Admiral Watson Feted

Rear Admiral A. E. Watson, commandant of the Navy Yard of Philadelphia, is to be guest of honor at a luncheon Thursday given by the special guests' committee of the Philadelphia group, of which the chairman is A. E. Patterson, vice-president of Penn Mutual. The luncheon is being held in the Union League Club.

Queen of the Ball

Chosen as "Queen of the President's ball" was Helene Ledig, who in everyday life is secretary to Vice-president Malcolm Adam of Penn Mutual Life. She is a member of the hospitality committee.



A SALUTE to N. A. L. U. FROM PEORIA, THE HEART OF ILLINOIS

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HUTCHINSON :: KANSAS

WILL S. THOMPSON, President





Top: Prudential managers H. C. Batty, Rochester, N. Y.; Matt Kane, Boston; and Sidney Wertimer, Buffalo.

Bottom: Mrs. Katherine Boyle, Minnesota Mutual, Chicago; Ethel Bregen, Penn Mutual, hostess, and Mrs. Helen G. Stewart, Penn Mutual, hostess committee.

Lincoln Extols American College

(Continued from page 10)

the facilities offered by their own companies.

Nothing comparable to this effort to further improve service to the public is likely to be found either in public service or among the representatives of any other business in the country. If evidence were needed of the high sense of responsibility so characteristic of men in life underwriting we have the evidence here a thousandfold.

An agent who can recognize people's needs, who has a good knowledge of the life insurance contract, and who knows how to use the settlement options to adapt the contract to the individual's needs can sell life insurance. But it is better if he knows how premium rates are figured—if he knows the significance of a 3 or 3½ per cent reserve basis—if he knows something about mortality tables, or why interest is charged on policy loans.

Sincerity and Self-Confidence

The most important essentials in selling are sincerity and complete self-confidence and no underwriter can have complete confidence and the sincerity that results from such confidence unless, from his own first-hand study, he knows definitely what it is that gives his product merit and value. Knowledge of fundamentals is the foundation, the bed-rock on which self-confidence is built. It doesn't matter where the underwriter gets this knowledge, whether from a C.L.U. course or from some other source, but he must have it if he is to measure up to the full responsibilities of his chosen work. The relation of fundamentals to salesmanship is a problem for every underwriter. The man who doesn't know the fundamentals—the basic prin-

ciples upon which life insurance depends—will never be a complete success in life underwriting.

The man who takes the C.L.U. course is a career man. If he didn't intend to make life insurance his life work, he would hardly invest the time and money required for C.L.U. study. This being so, the responsible underwriter is interested not only in what life underwriting is today, but in what it may become tomorrow. What life underwriting will become will in turn depend upon what becomes of life insurance. And what becomes of life insurance in turn depends upon public opinion. Thus we complete a circle and come back to our starting point—the life underwriter. He is our principal point of contact with policyholders and the public, and the reactions of policyholders and the public growing out of these contacts form public opinion.

Must Have the Facts

When questions are asked, the underwriter must be able to answer with the facts. But without knowing the fundamentals how can he know the facts? Is term insurance the cheapest insurance? What are the facts? What mortality table is suitable? What are the facts? Does the policyholder pay interest on his own money when he borrows on his policy? What are the facts? Is the cost of life insurance an equitable cost? What are the facts?

These and many others are questions that people are asking. These are questions that life underwriters as they meet people from day to day must be able to answer. Their answers will have a great deal to do with public opinion—and this public opinion will have everything to do with the future of underwriting. The questions are not difficult. Indeed, they

IN a season that sees mankind's "inalienable rights" crushed to earth and the eternal verities scorned throughout a large area of the world, it is highly appropriate that "National Association" members should foregather in the "City of Brotherly Love." The traditions that give Philadelphia its historic countenance are the very antithesis of the lunatic "isms" that subjugate and decimate decent humanity. Let them remind us that life insurance flourishes because of democracy and that democracy thrives the more bountifully because of life insurance.

LIFE INSURANCE COMPANY of VIRGINIA

BRADFORD H. WALKER, President

Home Office: RICHMOND

Established 1871

The Farmers & Bankers Life Insurance Company

Operates under the Kansas Compulsory Reserve Deposit Law, and every policy ever issued by this Company is registered with the Insurance Department of the State of Kansas, and bears that Department's Registration Certificate stating not only that the policy is registered but that it is secured by a pledge of securities of the required type deposited with the State of Kansas in an amount equal to the full legal reserve on the policy.

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Radio Station K F B I — 1050 Kilocycles

Greetings from

SCRANTON LIFE INSURANCE COMPANY

SCRANTON, PA.

WALTER P. STEVENS, President

really are easy questions to answer—for the man who has knowledge of the fundamentals.

The business of the underwriter is to give advice. If he knows his fundamentals the advice he gives is more likely to be good advice. It won't be just accidentally good or occasionally good. It is more likely to be consistently good.

Underwriters, life insurance representatives in the field, have played and will continue to play a tremendous part in the progressive education of the American public in its understanding of the fundamental principles represented in life insurance as part of a sound economic philosophy of life. We all participate in this educational process. While our functions overlap at times we must continue the progress established by successive generations of life insurance men, field and home office, during the last century.

Selling on Needs

We have witnessed during the last quarter century the development of the principles of selling through "needs," reaching in to the very heart of the economic problems of the American family. These problems are universal and the solution thereof is solely a matter of degree rather than of any variation in the fundamental principles involved. Research and study have brought forth the scientific treatment of life values through the use of life insurance.

Applying these principles has broadened the market for our services from the simple lump-sum benefit contract to the application of the income problems of the family and the principle of indemnity for losses sustained by business enterprise. This research into the fundamentals of human needs is essentially the responsibility of the field, aided and supported in every way by the home offices and the institutions of learning in this country. Creating the contractual "merchandise" to meet the markets established by these needs is a function of the life insurance institutions themselves. It is the field's part to apply the contracts to their proper use.

Must Have Broad Concept

This recognition of basic markets has provided and will continue to provide the solution to the major problem of distribution of life insurance through the facilities of the American agency system. But the obligation to a professional concept of service does not decrease, as is sometimes popularly believed, in direct relation to the economic stability of the prospect, but rather, in most cases, the inverse is true. As the financial scale of existence diminishes, greater care must be exercised that the few dollars available be used discreetly to accomplish the maximum benefits to those who are dependent on the breadwinner. This implies a greater responsibility on all of us to make certain that our equipment makes this possible.

I do not mean to imply that the quite substantial group who are capable of more impressive coverage are not an important part of our public responsibility. I desire only to emphasize that the need for professional treatment in the fundamental principles of life insurance



MALCOLM L. McPHAIL

Malcolm L. McPhail, Imperial Life, St. Johns, N. B., president of the Life Underwriters Association of Canada, extended greetings from that association both at the council meeting Monday and at the general session Wednesday. In introducing him, President Zimmerman said that under present world conditions, the Canadian association deserves all the sympathy, support and assistance that can possibly be extended to it by the associations in this country.

Mr. McPhail was accompanied by L. N. Dunstall of Toronto, executive secretary of the Canadian association.

ance service exists with the major portion of the American public.

In this room are the representatives of a great many life insurance companies. Without exception these companies have established a record of financial stability and integrity during a period of most critical business stress. This even the most outstanding critics admit. Administered and managed by men of standing in their communities, they have given evidence of a real appreciation of their trusteeship. It would be inconceivable in such an institution where the human equation plays such an important part for it to be without flaw. The constant and speedy correction of any flaw which is discovered is a factor in which we may be pardoned a certain justifiable pride.

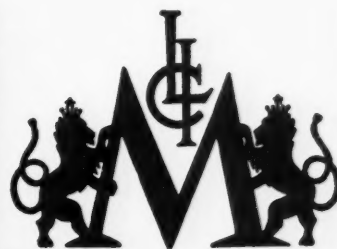
Your organization, meeting here in Philadelphia this week, has for 50 years maintained its leadership through a progressive encouragement of education. Here, there was established in 1927, the American College of Life Underwriters, whose activities in the life insurance field and whose contributions toward the development of better education at the source in our colleges and universities, are being justly celebrated today. We of the home office take pride in your achievements. We rejoice at your progress. Jointly you and we must continue to exemplify the true spirit of democracy in all branches of our service to the people of this great country.

Our Congratulations . . .

CHARLIE ZIMMERMAN

and our compliments include all who helped you make your year as National Association President one of outstanding accomplishment.

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Greetings

N. A. L. U.

from ILLINOIS' CAPITAL

**SPRINGFIELD ASSOCIATION OF
LIFE UNDERWRITERS**

SALUTES THE 1940 NATIONAL CONVENTION

Programming Approaches Presented by C. L. Kluss

Effective approaches for getting prospects interested in getting their insurance programmed were presented by Charles L. Kluss, who paid for more than \$550,000 business in his first year with the Zimmerman agency of the Connecticut Mutual Life in Chicago, before the programming seminar of which he was co-chairman. By raising questions concerning settlement provisions Mr. Kluss gains the prospect's interest. The details of his plan of action follow:

Isn't programming the method whereby we can make life insurance more useful to the owner and doing this become more useful ourselves? How many men have all the life insurance they need—if they need more, what emphasizes it better than the program?

True, many men have had their life insurance programmed, but if this is my method of most usefully performing my function then it becomes my duty to figure out a way to get a chance to make that program. The program itself is not important, it is getting the opportunity to do it. Getting that opportunity is placed in the custody of the approach.

Whenever I fail to make a sale I attribute it to my failure to tell the story of life insurance properly or thoroughly. Usually this can be traced to weakness in the approach. There is probably no single moment in the development of a client that is more important than that period that we abstractly label the approach. It has been said that a man makes or breaks himself in the first three minutes.

What the Approach Isn't

Actually the job of prospecting is merely the process of laying the foundation for the approach but frequently we err in assuming that the letter of introduction, the referred lead, the telephone message, actually can be substituted for the approach. It is my assumption that the approach is that point at which we must spark the imagination, provoke curiosity, qualify ourselves, and simultaneously that point at which we begin to motivate. This tremendous significance compels me to devote a major portion of my time to developing skill and variety in this particular phase of the selling job.

It is my purpose to come before Mr. Prospect with the sincere belief that I want to give him the benefit of a service which he needs and I am able to render. It is done entirely in the spirit of usefulness, yet it is not philanthropy. It has been my experience that when I focus all thoughts and attention on the usefulness of the service which I intend to render to the individual that more frequently I will find a sale and simultaneously create an intelligent buyer.

Defense Mechanisms Appear

The moment I appear before Mr. Prospect I know that certain defensive mechanisms begin to function within him. In one stroke I must allay any fear and establish confidence. In order to accomplish this I have used the following approach which was learned verbatim from one of the outstanding salesmen in the business. Its creation was carefully studied and is a product of 25 years of experience. I doubt that it could be improved.

"Mr. Prospect, I do not come to you with any preconceived notion as to your requirements on life insurance. It would be presumptuous on my part when I know so little about you. Life insurance may be the last thing on earth that you could use and if it appears so when I know more about you I shall be the first to tell you so.

"You probably have some definite plan or else you would not be where you are today. It would be unreasonable

if your experience encompassed an intimate knowledge of more than one financial plan—your own. In my work I see hundreds of plans every year.

Exchange of Ideas

"From seeing numerous plans I acquire ideas and my function is merely to bring you the ideas I have learned from studying the plans of many successful men like yourself.

"Your present plan is either perfect for you or it has some errors in it. If it is the perfect plan then you will be glad to have me corroborate it and if it is not, you will be glad to remedy the errors before it is too late. In any event you will be awfully glad that we exchanged ideas with each other.

"Do you find it difficult to save money or are you a natural saver?"

Always Elicits Information

At this point I find that I am in the interview and this approach undoubtedly opens the door to the information that I need to perform reasonably intelligent service. I have yet to have this approach fail in enabling me to obtain that information which we must have if we are to develop the prospect into a permanent client.

The second approach which is used is the visual presentation of a part of the actual auditing process.

"Mr. Prospect, before you are two life insurance policies that are apparently identical in all respects. They are issued by the same company. Each will pay the same amount to your beneficiary upon your death. Each will deliver the same amount of cash to you upon request. Each requires the same deposit. However, this policy has many features which the other does not have.

Shows Differences in Detail

"For example, this policy has a lapse-proof clause which forces the company to pay the premiums for you out of your insurance savings in the event you should fail to pay a premium because of illness, vacation or amnesia. Undoubtedly you would want this clause even if there were a cost attached to it. Since there is no cost you would insist upon it. Would you permit me to take this out of your life insurance contract?

"Here is an added feature, Mr. Prospect, which we call 'common disaster.' This keeps your life insurance out of court in the event that some fatal accident should befall you and Mrs. Prospect while you were driving the car. It would protect your life insurance estate from severe shrinkage because it will make provision that unless Mrs. Prospect survives you by a given period of time the money will go directly to your children. Would you own a life insurance policy without this added protection? It also is available without charge upon your request. Would you permit me to take this out of your contract?

Spendthrift Trust Provision

"Here is another which we call the spendthrift trust clause. The purpose of it is to prevent a silver-tongued, gold-brick or oil stock promoter from persuading Mrs. Prospect to hypothecate, assign or pledge these life insurance funds. It guarantees that this life insurance income will be paid only to those whom you want to receive it regardless of any eventuality. Surely you would not get your money's worth without this provision, would you? And you certainly would not permit anyone to take it out of your contract.

"Here's another feature which provides for life income for both you and Mrs. Prospect in the event you live to retirement age and wish to put the proceeds of this contract under an annuity

income. If you were to elect the regular annuity options in this contract there is a grave possibility that you might deny Mrs. Prospect the full benefit because she might outlive you for many years. In order to avoid the possibility of this development we add what is known as the husband-and-wife annuity. It is undoubtedly the option that you would elect if, at your retirement age, you took advantage of the favorable annuity options of this contract. It should be added to every life insurance policy today because it may not be available tomorrow and even if it is the trends indicate that the rates may be very much higher. Here again there is no cost for this advantage. Certainly you would not permit me to take this option away from you, would you?

Stresses Retirement Values

"Here's another option that is available for the asking. This option is one of the most important available. It gives you the privilege of converting this policy at maturity into paid-up life insurance without a new medical examination and simultaneously permits you to enjoy the benefits of an annuity income for life. In addition, it provides you with a non-forfeiture annuity for yourself and such an annuity is not available in all the contracts which you now own. You would certainly feel short-changed if you were denied the advantages of this option. Today it is free and tomorrow it may not be available at any cost. You would feel cheated if I were to take this clause away from you, wouldn't you?

"What I have been trying to show you, Mr. Prospect, are the various benefits which are yours as a policyholder in almost any company. All these features are available to you without any additional cost. This pile of torn paper represents the things for which you are paying but which you may not be receiving. Certainly you would not permit me to take these out of your policy if you had them. Conversely, you would insist that they be put in if you do not have them. Naturally, we cannot expect you to know what all these added benefits are. Many of them were not available at the time you bought your policy. (I have purposely used colored paper because since the prospect has never seen anything but black and white in his contract he naturally assumes that his policies do not contain these added benefits.) The service which I have to offer you, Mr. Prospect, is designed to be sure that you are getting everything you want and that what you have will perform the job that you want it to do. In other words, your life insurance should contain everything that you are entitled to and it should then be tailored to the requirements of the Prospect Family Corporation. Certainly you agree that you need this valuable service, Mr. Prospect, don't you?"

Prospect's Usual Reaction

On the occasions where this particular approach has been used this question is asked almost immediately:

"What do I have to do to get it?"

Again I am in the midst of the interview. The questions eliciting the information that I need are immediately answered.

A third approach which I have developed serves the purpose of facilitating a quick sale through the use of the package method. It invariably leads to the completion of a program and an additional sale at some later date. This approach is as follows:

"Mr. Prospect, I have come to talk to you about Bob. For years I have specialized in the work of providing a college education for every boy and girl. In this work I have enjoyed the complete cooperation of my company which enables me to present you with an idea that includes the only known methods by which you can guarantee today that Bob will be one boy that will not be denied the opportunity for and benefits of a college education. Nothing I could say would present this idea more concisely and interestingly than the story

told in the pages of this folder. It describes how my little girl, Carol, and I have used this idea to guarantee a college education for her and at the same time give Mrs. Kluss and myself the peace of mind and confidence that come from the knowledge that that education is guaranteed."

At this point I open a folder (describing photographically an interview between Mr. Kluss and his daughter) and offer it to him. I have yet to fail to have a prospect who, without interruption, will move from one page to the next with the expression on his face gradually progressing from a frown into a beaming smile. This is true whether the prospect has been a bachelor uncle, a grandfather, a father, a mother, a busy executive or a prospect leisurely perusing it at a luncheon table. I have even had it disrupt the routine of an office as the man looking at it would call others to see it.

The prospect sees in the pictures on these pages not Carol Kluss but rather his own son or daughter. Invariably either one of three questions will follow. They are:

"What is it all about?"

"How does it work?"

"How do I get one of these for Bob?"

Any one of these questions finds me in the midst of an interview. The object of this interview is the sale of an educational trust.

Works Pending Issuance

During the time that the policy is being issued a simplified programming interview is conducted. In this I obtain the information required to complete a program on the balance of the insurance. With few exceptions I find insufficient life insurance to provide adequate income for the mother and child or children until the educational trust becomes operative. If such is the case, I use the following approach at the time of delivery of the educational trust.

"Joe, I am terribly sorry, but due to an oversight on my part it will be necessary to take the proceeds of this policy out of the educational trust and use them to provide income for Mrs. Prospect and Bob. I should have thought of this sooner, but I got so enthused over the idea of this college education for Bob that I failed to put first things first."

You can imagine the question or comment that follows this:

"Why in the world do we have to do that? What have you overlooked that is more important than this? What's wrong?"

"It's this, Joe. After stretching what insurance you have to cover the minimum needs that you decided upon the other day I find that we have no income for Mrs. Prospect and Bob from the time Bob is 12 years old until he is ready for college. We can't leave thousands of dollars tied up under an educational trust when the family needs it to buy bread and butter while he is still a boy. It leaves us with only two alternatives, Joe. Either we take the money out of the educational trust or we fill in the gap."

In more than 75 per cent of the cases we fill in the gap and in some cases go beyond that point even to the extent of a life income for Mrs. Prospect.

A fourth approach that is used is called the "disturbing question" approach with such queries as:

"Is your life insurance lapse-proof?"

"Are you certain that you have not unintentionally disinherited any of your children?"

"Have you protected the distribution of your life insurance against a 50 per cent forfeiture?"

"Do you realize that frequently it is possible to stretch the value of your life insurance from 15 per cent to 30 per cent without changing any of your present contracts or increasing your deposits?"

"Have you availed yourself of the benefits of the husband-and-wife annuity on all of your contracts?"

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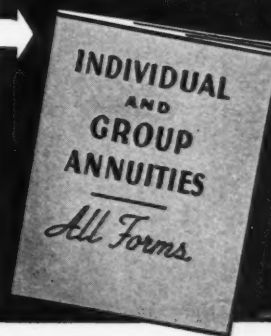
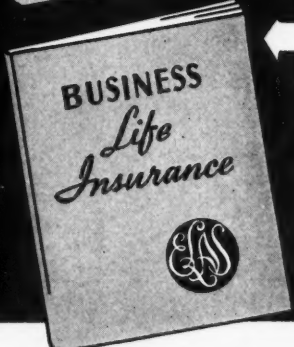
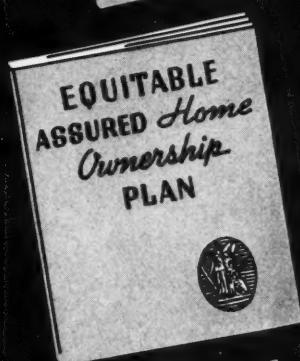
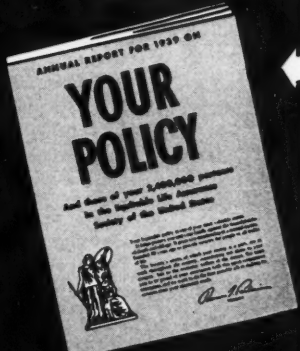
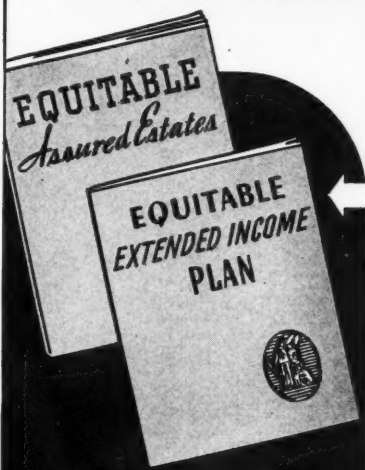
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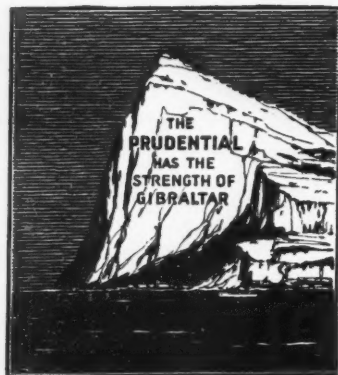


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NEW YORK, N. Y.

Thomas I. Parkinson, President

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